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ABSTRACT

The Joint Committee on the Master Plan for Higher Education in California commissioned the present study to be undertaken to answer many questions concerning independent higher education in the state. Among the questions included in the study description are: (1) What is the present contribution of independent institutions to California higher education? (2) Is it in the interest of the state to maintain and/or expand the contributions of independent higher education? (3) Are the independent institutions being utilized in such a way as to maximize their contributions to California higher education? (4) Should the option to attend an independent college or university be available to all qualified students? (5) Should the state provide financial assistance to independent higher education? (6) In what ways are public and private institutions interdependent? (7) What are the benefits of the existing dual system to students, taxpayers and to the quality of California higher education? (Author/HS)

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INDEPENDENT HIGHER EDUCATION IN CALIFORNIA

FRED A. NELSON



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JOINT COMMITTEE ON THE MASTER PLAN FOR HIGHER EDUCATION
CALIFORNIA LEGISLATURE

INDEPENDENT HIGHER EDUCATION IN CALIFORNIA

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Prepared for

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January, 1973

This is one of a series of policy alternative papers commissioned by the California Legislature's Joint Committee on the Master Plan for Higher Education.

The primary purpose of these papers is to give legislators an overview of a given policy area. Most of the papers are directed toward synthesis and analysis of existing information and perspectives rather than the gathering of new data. The authors were asked to raise and explore prominent issues and to suggest alternatives available to the Legislature in dealing with those issues.

The Joint Committee has not restricted its consultants to discussions and recommendations in those areas which fall exclusively within the scope of legislative responsibility. The authors were encouraged to direct comments to individual institutions, segmental offices, state agencies -- or wherever seemed appropriate. It is hoped that these papers will stimulate public, segmental and institutional discussion of the critical issues in postsecondary education.

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PREFACE

In the late Spring of 1972, the staff of the Joint Committee on the Master Plan for Higher Education approached me about the possibility of doing "a policy alternative paper on independent higher education in California". This would be one of several studies and reports commissioned by the Joint Committee. I welcomed the invitation to do so and, unrealistically as it turned out, committed myself to fourteen man-days to complete the task. Because professional commitments took me to the east coast for the summer months, the bulk of the work on this report was completed during September and October. While in the east, I was able to meet with individuals in four states who either administer or deal directly with programs of state assistance to independent higher education.

The Joint Committee also commissioned other studies, including papers on "Financing Postsecondary Education", particularly public higher education, and one on the "Probable Impact of the Federal Role in Financing Postsecondary Education". For this reason, this paper does not go into detail into either of these extremely important topics. As can be seen in Appendix A, the mandate for this paper from the Joint Committee turned out to be much more broad than "a policy alternative paper".

Why me? During 1967 and 1968, while a full-time doctoral candidate at Stanford University, I wrote three papers on various topics dealing with governmental assistance to private higher education. (It is a sad commentary on higher education that by writing a single paper, one can become even a semi-expert.) Through one of those papers, I was offered, in 1968, a position as one of two full-time research associates with the Illinois Commission to Study Nonpublic Higher Education. That interest and experience grew into a Ph.D. dissertation at Stanford, completed during 1968 through 1970, entitled: California and Nonpublic Higher Education: The Historical and Current Relationships Between the State of California and Independent Colleges and Universities.

Lest the reader think, or fear, that this report is simply a former dissertation between new covers, it might be reassuring to know that only the Introduction and Chapter III, "Present Practices in California", draw heavily on my Stanford dissertation, but with considerable updating. Other chapters, of course, utilize to some extent the background reading and research that went into the dissertation.

For example, at that time (1968 through 1970), I interviewed extensively 44 government officials and leaders of California higher education, public and private. In addition, 34 out of 48 presidents of independent colleges and universities and 15 out of 55 State Senators and Assemblymen surveyed completed lengthy questionnaires, a technique which everyone seems to utilize. I must sincerely thank, again, these individuals for their assistance at that time. For this reason, I choose not to submit another questionnaire to the presidents of independent colleges and universities who already feel the need for a "vice president for questionnaire completion".

A vast amount of data, and opinion, is already available. For this report I reviewed much of the testimony given before both the Joint Committee and the Select Committee on the Master Plan, as well as reviewing all of the current college catalogues of California's independent colleges and universities. This report also utilizes a number of other sources of data and information contained in many other reports, surveys, and publications, some of which are briefly described in the "Review of the Literature" or cited in the Bibliography. There has obviously been a lot said already, and the need seemed to be to pull much of this information together into a single report on independent higher education in California.

I must most cordially thank Dr. Morgan Odell and Mrs. Betty Katanick of the AICCU for their complete cooperation and for providing much of the current data contained in Chapters II and V. Mr. Arthur S. Marmaduke of the State Scholarship and Loan Commission has, again, been extremely helpful in providing up-to-the-minute data and the draft of the Student Resources Survey which were utilized in Chapters III and V. I must also thank President Charles J. Hitch of the University of California and Chancellor Glenn S. Dumke of the California State University and Colleges for their time, cooperation, and thoughtful comments on this topic.

Lastly, I would like to thank Robert G. Cameron, the Director of the Western Regional Office of the College Entrance Examination Board, for his cooperation and my wife, Doris, and son, John, who had to put up with an absent husband and father for many weekends, days, and evenings.

While I am obviously sympathetic to the problems of independent higher education in California and elsewhere, I have attempted to be reasonably "neutral" in this report. The opinions expressed are my own unless cited otherwise. Likewise, I must personally assume all responsibility for errors of fact, overstatements, and misconceptions.

Because of the girth of this report, my advice to the prospective reader is to first look over the Table of Contents and the data contained in the 44 tables. Only then do I suggest reading those chapters or sections in which the reader has a particular interest.

Fred A. Nelson

October 1972

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CHAPTER I

INTRODUCTION

This report occurs at a critical time in the State's history. Now more than ever, California's independent colleges and universities are increasingly concerned about maintaining autonomy, independence, quality and vitality while achieving fiscal solvency. Some are worried about their very survival. At the same time the California Legislature is considering the future of all higher education in the State. The Legislature is rightfully charged with maintaining, promoting and protecting the public interest, effecting economies wherever possible, and exerting some form of accountability for the expenditure of public funds. These are the confluent issues and concerns of 1972. These same issues are the recurrent themes in this study.

The Purpose of the Report

At the outset, it should be made perfectly clear that this report is not an advocacy paper such as a commission or task force might present. No specific recommendations are advocated and then justified. The Association of Independent California Colleges and Universities (AICCU) has stated its collective position on a number of important topics at several of the hearings conducted by the Joint Committee on the Master Plan for Higher Education and the Coordinating Council's Select Committee on the Master Plan. Rather, this report was mandated to deal with the several issues and public policy questions posed in the Joint Committee's study plan (see Appendix A). Additionally, this report was asked to focus on major issues "through an analysis of present practices in California, a survey of practices and proposals elsewhere and a review and summary of the literature". Furthermore, the Joint Committee asked for an "analysis of whatever policy alternates are available to the Legislature" with the advantages and disadvantages of each.

State legislatures, certainly including California's, are primarily concerned about their state's system(s) of public higher education. While the majority of legislators in California, as elsewhere, are aware of the well-being of independent colleges and universities, it is the public colleges and universities, because of their tax support and direct, or at least indirect, accountability to the Legislature, which preoccupy the interest of legislators. Educators must be continually reminded that higher education, public or private, is but one of many socially significant activities which compete for the attention of legislators and for tax dollars. Therefore, it is most significant that the Joint Committee has chosen to devote one of its studies specifically to California's independent colleges and universities.

Definition of Terms

What do we mean by "independent higher education in California"? First of all the terms "independent", "private", and "non-public" are usually used interchangeably and synonymously. Many institutions prefer the term "independent" because of possible exclusive connotations of the word "private", such as one's "private" thoughts. Likewise the term

"non-public" draws attention to the fact that these institutions are, by definition, not public. In this paper the term "independent higher education" usually refers to the approximately fifty, four-year non-public colleges and universities in California, accredited by the Western Association of Schools and Colleges. Beyond this group of institutions there are presently in California a number of other "non-public" four-year colleges, proprietary institutions, and almost countless other private schools and "colleges" - including beauty, barber, and business. (Some other problems and some legislative options regarding these additional institutions are discussed in the later sections of this paper dealing with "chartering".)

Private colleges and universities in California, as elsewhere in the country, are commonly thought of as being entirely independent, or at least largely so, from governmental support, influence, and control. The very words "independent college" and "independent higher education" reflect this notion. These same private colleges and universities are, in fact, already tied to government, particularly state government, by a complex web of relationships. Many of these relationships are legal and formal; some are direct while others are indirect; several are informal; and a few are subrosa. These ties with government are becoming increasingly important and complex at a pace that occasionally leaves institutions, and government itself, overtaken by events.

The Federal Role

The absence of the word "education" in our federal constitution declares, in effect, education at all levels to be a function and responsibility of the individual states. In recent years the "general welfare" clause of the United States Constitution has been liberally interpreted to provide more and more categorical support to education at all levels. The passing, by the Federal Congress, of the Higher Education Amendments in 1972 further extends the role of the Federal government by providing for wide spread and general support of all higher education, public and private. This recent Federal legislation tends to muddy the water in terms of what the individual states - including of course California - can and should do in the future to further assist all higher education.

The Federal legislation represents a collection of compromises which fails to spell out in explicit terms the primary roles or functions of the Federal and State governments in regard to the support of higher education, public and private. Indeed, the very existence of the new Federal legislation may be used by State legislatures as a reason, if not an excuse, not to move ahead with various state plans of assistance to and support of higher education. This may prove to be true even if the Higher Education Amendments of 1972 are only partially funded or even not funded at all!

The Fundamental Relationships

The fact remains that all colleges and universities, whether public or private, owe their existence to the state in which they are located. ¹ California, like the other individual states, possesses at least four rights and obligations: 1) to grant charters and other privileges of incorporation; 2) to exempt property from taxation; 3) to oversee

and support higher education; and 4) to protect the public's interest.

These State-granted rights assert that colleges and universities, public and private, are in the State's, hence public's, interest. The qualifications for a charter define, however poorly, an institution's quality at birth; and the charter itself defines the institution's limits of corporate activity. The qualifications for a charter for private colleges and universities, have on several occasions been a matter of concern in California; and these qualifications have been adjusted from time to time by what has been called "diploma mill legislation". (More will be said about this later in "Chartering".)

The all-important exemption from taxation of private institutions has been, over the years, an almost constant issue. The independent colleges and universities have sought to protect existing benefits, and occasionally have sought to extend these benefits. For example, a ballot proposition in 1962 extended the maximum amount of tax-exempt land for each campus (except for Stanford University) beyond the previous limit of one hundred acres.

Private higher education in California obviously does not exist in either a vacuum or a monopoly. Its relationships with the public segments of higher education must always be considered. The independent colleges and universities have had, and continue to have, a number of important ties to the public segments of higher education.

Lastly, the private colleges and universities have maintained their concern for institutional autonomy and freedom from state "control". Even so, the State must maintain its responsibility for protecting the public interest, and with this responsibility goes at least some concern about institutional quality as well as indirect, if not direct, means of support. Institutional autonomy is, in the end, inexorably bound up in all kinds and levels of relationships. "Independence" here is a relative rather than absolute term. Each new or extended relationship with "independent" colleges or universities can mean a reduction in degree or type of institutional autonomy. What is to be given up for what in return? What benefit is worth the price? What sacrifice worth its cost?

Variations in Public Policy

Public policy seldom remains constant. Public policy towards private higher education, in California as elsewhere, is formulated within a much larger social context. Priorities change and public attitudes shift with new values and concerns. The historical relationships of the State of California to its independent colleges and universities offer vivid and even unique examples of how dramatically and swiftly such changes in public policy can occur.

During the past one hundred and twenty years the State has reversed its official fiscal policy towards independent colleges, not once but twice! At one time California, like several older states and particularly

those that are former colonies, provided for direct financial assistance to private, even church-related, secondary schools and colleges. Within forty years California reversed its position to become the only state in the Union to tax its independent schools, colleges, and universities.

This policy, which existed at the turn of the century, was eventually modified to the more traditional, and now universal, position of granting tax exempt status to these educational institutions. State-granted benefits were expanded in 1929 by providing tax-exempt institutions of higher learning with the right of eminent domain, a privilege that is rare, if not unique, among the fifty states. More recently California has provided more indirect assistance to private colleges and universities through the State's Scholarship, Fellowship, and College Opportunity Grant Programs.

Public policy in California has now nearly come full-circle. The Constitution Revision Commission in 1969 recommended a constitutional revision which would allow the Legislature the option of again providing direct financial assistance to independent colleges and universities. During the 1970 Legislative session the Association of Independent California Colleges and Universities actively sought, and almost obtained, a ballot proposition to accomplish the same purpose. About the same time the Coordinating Council for Higher Education studied alternate forms of state aid to private institutions whether or not the Constitution was revised.

Some Historical Turning Points - The First Colleges

California's first Constitution of 1849, which made a reference to a state university, made no explicit provision for the chartering of colleges. In response to requests by several individuals and groups, the California Legislature, in its very first session in the Spring of 1850, passed a bill which allowed the State Supreme Court to charter colleges. The Court itself had to determine if the prospective college had its required twenty thousand dollars (\$20,000) of endowment before the charter could be granted. In July of 1851 California Wesleyan College obtained the first and, as it turned out, only charter from the Supreme Court. The trustees of the new college, then in Santa Clara, at their first meeting after incorporation, quickly changed the new institution's name to "The University of the Pacific", showing more originality than other Methodists in the naming of their colleges.

If the Methodists can justly claim the oldest chartered college in the State, the Catholics can with equal justice claim the earliest institutions actually giving instruction and conferring the first degrees. Some anti-Catholic feelings at the time prevented its fledgling Santa Clara College from obtaining its charter until 1855, just two weeks after the incorporation law was amended to permit incorporation by the State Superintendent of Public Institutions rather than by the State Supreme Court. During these early years, 1853 to 1855, the State provided for direct financial assistance to the private schools and colleges on a per capita basis. While Santa Clara sought this aid and the University

of the Pacific appointed a committee of trustees "to secure to our institution a fair proportion of the public school money according to the law of this State", there is no firm evidence that State money actually changed hands.²

A Private College Becomes Public

The College of California, initially a Presbyterian institution, received its charter the very day the incorporation law was amended in 1855. The founder of the college insisted that it be nondenominational, "never to come under the control of Church or State".³ In this way they hoped to attract wider support, both from donors and from prospective students. Unfortunately the college ended up having no particular constituency, which may provide a lesson for some of today's institutions.

From its inception, the College of California was plagued with difficulties, largely financial. The College sought, unsuccessfully, public funds. In 1867 the College "dined and liquidated" visiting State Legislators on a site selection team for a yet to be created University of California. Ultimately the College offered its handsome site in Berkeley to the State of California to become the University of California with the expectation, not realized however, that the College of California would become "the central college in a first-class university".⁴ The State assumed the debt of the College of California, but ended up creating a completely new university in March of 1868 on the Berkeley site. It was devoid of any ties with the former struggling college. Even so, until the University of California enrolled its first student, church-related institutions had maintained the only colleges during California's first twenty years.

State Arms for College Students

Given the occasionally violent nature of today's campus, it is almost ironic that the State of California, in 1862, provided an extraordinary means of direct assistance to the colleges of that time, all of which were still private and church-related. In May of 1862 Governor Leland Stanford, himself only thirty-eight years old, signed into law "an Act to provide for issuing Arms and Accoutrements to Colleges and Academies for the use of the Youth, and to prescribe the tactics to be used by them".⁵ This unique form of "state aid", which predated ROTC, becomes understandable within the social context of the times, since the newspapers were then filled with news about the Civil War.

The Constitution of 1879

Despite needed and earlier attempts at reform, the laws of California were not codified until 1872. All old revenue laws were repealed, and Section 3607 of the new code read: "All property within this state, except the property of the United States, of the state, and of municipal corporations, is subject to taxation."⁶

The Constitutional Convention of 1879 produced a new state constitution filled with compromises. The article on taxation declared that all

property should be taxed according to its value except growing crops, public school property, and land belonging to the United States, the State of California or municipal corporations. Another critically important provision of the constitution of 1879, and one which is still in force, declared that "no public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools".⁷

One historian of the time, Frank W. Blackmar, himself a UOP alumnus and a former UOP faculty member, wrote in 1890 about California's distinctive taxation policy:

"In one thing California stands alone among the several States, and this is in the taxation of private, sectarian or denominational schools.

A reaction from the early practice of aiding such institutions has taken the Legislators to the opposite extreme of taxing the school grounds, property, apparatus, and libraries of private institutions. It is not desired to discuss the question here, but merely to relate the historical fact. It is certainly a novel position that the State has assumed in thus opposing a policy which has grown with the development of the country for over two hundred and fifty years. California is either in advance of her sister States in the wisdom of legislation or else has rendered a great injustice to private benevolence, which should always be encouraged."⁸

Summary

Independent colleges and universities, as an integral part of the State's total educational opportunities, have been and continue to be both a responsibility and concern of this State. These responsibilities of the State, and the benefits provided by the State, have varied through California's relatively brief history to reflect changing public policy, social context, and governmental priorities. It is this backdrop which forms the stage for 1972 and the current reviews of California's Master Plan for Higher Education in terms of those California colleges and universities which bear the title "independent".

REFERENCES

1. The exceptions to this generalization include the four federally chartered service academies and all institutions in New York State, which receive their charters from the Regents of the University of the State of New York who act as representatives of the State.
2. Minutes of Trustees, June 13, 1854, President's Office, University of the Pacific.
3. Samuel H. Willey, A History of the College of California (San Francisco: Samuel Carson and Co., 1887), p. 15.
4. Ibid, p. 210.
5. Statutes of California, 1862, Chapter CCCLXII, p. 483.
6. William C. Fankhauser, "A Financial History of California", University of California Publications in Economics, III, No. 2 (November 1913), p. 232.
7. Constitution of California, Article IV, Section 8, Adopted by the people, May 7, 1879.
8. Frank W. Blackmar, The History of Federal and State Aid to Higher Education in the United States, (Government Printing Office, Washington, D. C., 1890) p. 324.

CHAPTER II

CONTRIBUTIONS OF CALIFORNIA'S INDEPENDENT COLLEGES AND UNIVERSITIES

The Historic Role

For the first twenty years of California's history, non-public colleges and universities, more specifically church-related colleges, provided the only higher education in the State. By the time Stanford University burst onto California's education scene in 1891, at least nine other private colleges or academies, which were to become permanent colleges, existed in northern California. Five others had just recently come into being in southern California. All of these institutions, with the exception of Stanford itself and Mills College in Oakland, could be clearly regarded as sectarian or church-related. While the forces of sectarianism promoted colleges with particular brands of Christianity, these same institutions provided an invaluable public service to the State.

The early California legislatures were not noted for their generous support of education, particularly public higher education. Little wonder that the opening day of the new Stanford University in 1891 should have been such a newsworthy event. The new Stanford University had no less than 559 students in its first year, compared to the University of California's enrollment of 520 that same year--and that after twenty-three years of growth!¹

The existence of a number of independent colleges and universities has always been a useful stimulus to California's public higher education. One alumnus of the University of California, Charles Shinn, observed the importance of Stanford University to his alma mater:

"The friends of the older institution feel that their hands have been strengthened by the vigorous University at Palo Alto, and it has been said with much truth, that if Senator Stanford had chosen to endow the State University with his millions, he would have helped it less than he has done by establishing a sister university upon a sufficiently different foundation, to aid, support, and encourage the entire educational system of California."²

The Contemporary Role

The "sufficiently different foundation" of Stanford, like that of all of California's independent colleges, provides the fundamental base for the current contributions of these same colleges and universities. These independent institutions are today characterized by at least the following six qualities:

1. Independence of control and governing authority.
2. Flexibility of sources of financial support.

3. Lack of governmental bureaucracy.
4. Freedom to innovate and to meet students' needs.
5. Diversity of missions, size, functions, and educational programs.
6. Ability to be directly concerned about personal, ethical, and moral values.

Perhaps the most important roles and contributions of California's independent colleges and universities, both today as in the past, are in these non-quantifiable qualities. Likewise the amount of good these institutions have done, and the amount of service they perform today, does not lend itself to yardstick measures. It almost becomes a question of faith. One either believes in the importance of such institutions within our society or one believes otherwise. Some quantifiable measures may help serve to convert the unconverted, but these quantifiable measures tell only part of the story, and to many people, this may be the less important part.

Enrollment - Problems in Counting

If colleges and universities exist to serve students, as some of us hope, then the number of students served, as well as the quality of the "service", becomes a paramount concern to the larger society. A perpetual dilemma confronting legislators, administrators of higher education, and the lay public as well is the apparent inability of higher education to agree on some standards of measurement. After all, what could be simpler than counting students enrolled! How to "count" part-time students? Which level of students are to be counted? Must they be "matriculated?" Should students enrolled for "degree credit" or non-degree programs be counted? For a multiplicity of reasons, enrollment figures, even those after the fact, seldom agree.

The problem of numbers is further complicated when talking about "private" versus "public" higher education. For example, data from the Association of Independent California Colleges and Universities (AICCU) typically includes data from only those fifty or so full-year colleges and universities, which are members of the AICCU. But Office of Education publications often list between eighty-five and ninety-five "privately controlled institutions" in California. Many of these additional institutions are very small divinity schools or proprietary colleges; and there are separate listings for individual campuses of the same institution.

California Compared to All Other States

Despite the historical and contemporary importance of California's independent colleges and universities, California's higher education is dominated by the public segments. In the United States today public colleges and universities enroll three times as many students as do the

TABLE 1

**OPENING FALL ENROLLMENT, ALL U.S. HIGHER EDUCATION
DEGREE AND NON-DEGREE BY INSTITUTIONAL CONTROL**

<i>Year</i>	<i>Total</i>	<i>Public</i>	<i>Private</i>	<i>%Public</i>	<i>%Private</i>
1955	2,812,000	1,596,000	1,216,000	56 %	44 %
1956	3,096,000	1,792,000	1,304,000	58	42
1957	3,224,000	1,896,000	1,398,000	59	41
1958	3,424,000	2,037,000	1,387,000	60	40
1959	3,571,000	2,133,000	1,438,000	59	41
1960	3,772,000	2,260,000	1,512,000	60	40
1961	4,048,000	2,470,000	1,578,000	61	39
1962	4,401,000	2,750,000	1,651,000	62	38
1963	4,765,000	3,065,000	1,700,000	64	36
1964	5,281,000	3,468,000	1,813,000	65	35
1965	5,920,000	3,969,000	1,951,000	67	33
1966	6,438,000	4,381,000	2,057,000	68	32
1967	6,963,000	4,850,000	2,113,000	70	30
1968	7,571,000	5,469,000	2,102,000	72	28
1969	7,978,000	5,882,000	2,096,000	74	26
1970	8,566,000	6,418,000	2,147,000	75	25

Source of Data: Compiled from data contained in Fall Enrollment in Higher Education, 1970, U. S. Department of Health, Education, and Welfare, U. S. Government Printing Office, Washington, D. C., 1971.

private institutions, as demonstrated in Table 1. In California there are almost nine times as many students attending publicly controlled institutions as private. Therefore, the balance between public and private enrollment in California is markedly different than the national average, and reflects a ratio towards which the nation itself, for good or for ill, is moving. As in other phases of American life, California seems to present a model of the future.

The following table shows in descending order by state the ratios of enrollment in public institutions to private as of the Fall of 1970. As can be seen from the table, only eight states have a higher percentage of students in public higher education than does California: Wyoming, Nevada, Arizona, North Dakota, New Mexico, Montana, Alaska, and Hawaii. For this reason alone, it is impossible to fairly compare California to those states still dominated by private institutions, such as New York and Massachusetts.

TABLE 2
RATIOS OF TOTAL ENROLLMENT, PUBLIC TO PRIVATE,
DESCENDING ORDER BY STATE, FALL OF 1970

State	Ratio	Public Enrollment	Private Enrollment
Wyoming	∞	15,220	-
Nevada	1044.31	13,576	93
Arizona	46.57	107,325	2,304
North Dakota	23.17	30,192	1,303
New Mexico	11.13	40,795	3,666
Montana	9.83	27,287	2,775
Alaska	9.43	8,563	908
Hawaii	9.16	32,963	3,599
California	8.40	1,123,529	133,716
Oregon	7.92	108,483	13,694
Washington	7.81	162,718	20,826
Colorado	7.32	108,562	14,833
Mississippi	7.22	64,968	8,999
Michigan	6.40	339,625	53,101
Kansas	6.18	88,215	14,270
Alabama	5.48	87,884	16,052
Wisconsin	5.38	170,374	31,684
Arkansas	5.17	43,599	8,440
Louisiana	5.16	101,127	19,601
Delaware	5.15	21,151	4,109
Oklahoma	4.89	91,438	18,717
Texas	4.77	365,522	76,703
West Virginia	4.36	51,363	11,790
Minnesota	4.32	130,567	30,221
Virginia	4.31	123,279	28,636

TABLE 2 (CONTINUED)

<u>State</u>	<u>Ratio</u>	<u>Public Enrollment</u>	<u>Private Enrollment</u>
Georgia	4.14	101,900	24,611
Florida	4.11	189,450	46,075
Maryland	3.89	118,988	30,619
Kentucky	3.62	77,240	21,351
Idaho	3.61	27,072	7,495
South Dakota	3.58	23,936	6,703
Nebraska	3.33	51,454	15,461
<u>United States</u>	<u>2.98</u>	<u>6,476,058</u>	<u>2,173,310</u>
Ohio	2.95	281,099	95,168
Maine	2.91	25,405	8,729
Tennessee	2.73	98,897	36,206
Missouri	2.58	132,540	51,390
North Carolina	2.57	123,761	48,164
Indiana	2.44	136,739	55,929
Illinois	2.31	315,634	136,512
South Carolina	2.10	47,010	22,417
Puerto Rico	2.07	42,516	20,557
New Jersey	2.05	145,373	70,748
Iowa	1.69	68,390	40,512
Utah	1.54	49,588	32,099
Connecticut	1.43	73,391	51,309
Pennsylvania	1.31	232,982	178,062
Vermont	1.30	12,536	9,673
New York	1.26	449,437	357,042
Rhode Island	1.25	25,527	20,371
New Hampshire	1.19	15,979	13,421
Massachusetts	.62	116,127	186,682
District of Columbia	.19	12,194	64,964
Total		6,476,058	2,173,310

Source of Data: Compiled from data contained in Fall Enrollment in Higher Education, 1970, U. S. Department of Health, Education, and Welfare, U. S. Government Printing Office, Washington, D. C., 1971.

While the ratio of enrollments nationally in 1970 of public to private was 2.98, in California there were 8.40 times as many students in public institutions as private. It becomes readily apparent that California's independent institutions are far more important than their percentage of the total enrollment would indicate.

Table 2 also clearly shows those states which are still dominated by enrollments in private institutions. These are the low ratios of public to private at the bottom of the table. Many of those states have a long history of providing direct assistance to private institutions, and a

number of others have recently added such programs. This table also reflects the historical development of the country with those sections of the nation most recently developed, particularly the far west, more frequently dominated by public higher education.

Enrollment is but one dimension of the relative importance of the public and private segments of American higher education. Just seven years ago, in the Fall of 1965, there were only twice as many students enrolled in public institutions as in private versus the national ratio of three to one today. Even with this dominance of enrollment by public institutions, in 1965 there were nearly twice as many private institutions as public. The obvious reason for this reverse ratio is because of the much smaller average size of enrollments of the private institutions.

The number of institutions is also quite important. Each independent institution has its own Board of Trustees, its own fund-raising efforts, its own band of alumni, and in most cases its own student clientele. In political terms, the more institutions that exist, the greater their lobbying potential with their particular legislature. Certainly in many states these independent institutions are able to make themselves heard to a far greater degree than their enrollments would suggest or, perhaps, even justify.

The following Table 3 shows the relative position of California in comparison with all other states in terms of the ratio of the number of institutions, private to public.

TABLE 3
RATIOS OF THE NUMBER OF INSTITUTIONS, PRIVATE TO PUBLIC,
DESCENDING ORDER BY STATE, FALL OF 1969

State	Ratio	No. of Private Inst	No. of Public Inst	Total No. of Inst
Maine	7.00	14	2	16
District of Columbia	6.33	19	3	22
Hawaii	6.00	6	1	7
Indiana	5.60	38	5	43
Kentucky	4.00	28	7	35
New Hampshire	4.00	16	4	20
Puerto Rico	4.00	4	1	5
Pennsylvania	3.90	113	29	142
Rhode Island	3.67	11	3	14
Ohio	3.40	68	20	88
Massachusetts	2.79	81	29	110
Tennessee	2.53	38	15	53
Iowa	2.47	37	15	52
Vermont	2.40	12	5	17
Missouri	2.35	47	20	67
Illinois	2.07	89	43	132

TABLE 3 (CONTD)

State	Ratio	No. of Private Inst	No. of Public Inst	Total No. of Inst
New York	2.03	146	72	218
Alaska	2.00	2	1	3
Connecticut	1.71	29	17	46
New Jersey	1.59	35	22	57
South Dakota	1.43	10	7	17
<u>United States</u>	<u>1.38</u>	<u>1,465</u>	<u>1,060</u>	<u>2,525</u>
Nebraska	1.36	15	11	26
Virginia	1.35	34	25	59
Minnesota	1.33	32	24	56
South Carolina	1.32	25	19	44
Michigan	1.23	49	40	89
Georgia	1.22	33	27	60
Maryland	1.14	25	22	47
Arkansas	1.00	10	10	20
Delaware	1.00	3	3	6
West Virginia	1.00	11	11	22
Kansas	.96	26	27	53
Oregon	.95	19	20	39
Wisconsin	.94	31	33	64
Louisiana	.92	11	12	23
North Carolina	.88	45	51	96
Florida	.79	27	34	61
<u>California</u>	<u>.77</u>	<u>85</u>	<u>110</u>	<u>195</u>
Texas	.76	53	69	122
Alabama	.74	20	27	47
Mississippi	.72	78	25	43
Idaho	.67	4	6	10
Oklahoma	.52	12	23	35
Utah	.44	4	9	13
Washington	.44	12	27	39
Colorado	.40	8	20	28
New Mexico	.38	3	8	11
Arizona	.33	4	12	16
Montana	.33	3	9	12
Nevada	.33	1	3	4
North Dakota	.33	3	9	12
Wyoming	.0	0	7	7
Total		1,465	1,060	2,525

Source of Data: Digest of Educational Statistics, 1969, U. S. Office of Education, Department of Health, Education, and Welfare, Supt. of Documents, Washington, D. C., 1970.

This table indicates that fourteen states have a lower ratio of the number of institutions private to public. As was the case with enrollments, these states are predominately western states. Note that the Office of Education lists no less than eighty-five (85) "privately controlled institutions" in California. As mentioned earlier, the Office of Education includes many small church-training or divinity schools, proprietary colleges, and includes separate listings for individual campuses of the same institutions.

Enrollment in California

The original Master Plan for Higher Education in California declared that "the fundamental problem, central to all that follows in the Survey, is that of students". The Survey team's report goes on to say that "closely related is the problem of how students will be distributed among the state's many collegiate institutions, both public and private".³

The Master Plan Survey Team presented the following data and mentioned "the difficulties in preparing this table" because of the lack of standard methods of reporting.

TABLE 4
FULL-TIME FALL ENROLLMENTS, CALIFORNIA HIGHER EDUCATION,
BY SEGMENT, 1948-1958

<u>Year</u>	<u>Junior College</u>	<u>State College</u>	<u>University of California</u>	<u>Public Total</u>	<u>Independent Institutions</u>	<u>State Total</u>
1948	55,933	22,787	43,469	122,189	44,780	166,969
1949	66,603	26,086	43,426	136,115	46,210	182,325
1950	56,624	25,369	39,492	121,485	41,036	162,521
1951	48,674	24,160	34,883	107,717	36,446	144,163
1952	52,818	25,162	33,326	111,306	33,120	144,426
1953	52,142	24,712	32,636	109,490	37,167	146,657
1954	63,019	29,487	32,563	125,069	37,847	162,916
1955	70,165	33,910	37,717	141,792	40,832	182,624
1956	74,082	38,338	37,522	149,942	42,396	192,338
1957	80,916	41,479	41,625	164,020	44,378	208,398
1958	91,162	44,528	43,101	178,791	46,824	225,615

Source of Data: A Master Plan for Higher Education in California, 1960-1975, (California State Department of Education, Sacramento, 1960), p. 46.

As can be seen from Table 4, enrollment in California's independent institutions closely parallels the total enrollment at the University of California for the same period 1948 through 1958. Furthermore, the rises and declines of enrollments, largely due to an influx of veterans following World War II and then the Korean War, are quite similar in both of these sectors of California higher education.

The Master Plan Survey Team then made some "status quo projections" of enrollment by segments to the year 1975.

TABLE 5

MASTER PLAN STATUS QUO PROJECTIONS OF FULL-TIME ENROLLMENT IN CALIFORNIA SEGMENTS OF HIGHER EDUCATION TO 1975

	<u>University of California</u>	<u>State College</u>	<u>Junior College</u>	<u>Independent Colleges & Universities</u>	<u>Total</u>
Actual (Fall)					
1955	37,717	33,910	70,165	40,832	182,624
1957	41,625	41,479	80,916	44,378	208,398
1958	43,101	44,528	91,162	46,824	225,615
	(19.1%)	(19.7%)	(40.4%)	(20.8%)	(100%)
Projection (Fall)					
1960	50,400	58,600	115,750	51,850	276,600
1965	77,000	104,950	162,600	60,550	405,100
1970	106,050	157,150	205,200	68,400	536,800
1975	136,000	200,000	251,400	73,950	661,350
	(20.6%)	(30.2%)	(38.0%)	(11.2%)	(100%)

Source of Data: Table based on data contained in Tables 2 and 3 on Pages 51 and 53 of Master Plan.

Based on their own set of reasonable assumptions, the Master Plan Survey Team estimated that full-time enrollment in California's independent colleges and universities would grow from 46,828 in the Fall of 1958 to 73,950 students by the Fall of 1975. At the same time they predicted that the percentage of students in these institutions would decline from 38.0% in 1958 to 11.2% in 1975. The following Table 6 reflects what actually happened to full-time enrollment in the various segments from the year of the original Master Plan, 1959-1960, up through 1969-70.

TABLE 6
DISTRIBUTION OF FULL-TIME ENROLLMENT BY SEGMENT 1959-60 TO 1970-71

Academic Year	University of California		University and State Colleges		Community Colleges		AICCU Institutions		Total Number
	No.	%	No.	%	No.	%	No.	%	
1959-1960	42,386	19.0	49,711	22.3	90,254	40.5	40,531	18.2	222,882
1960-1961	46,801	19.1	56,480	23.0	99,783	40.6	42,537	17.3	245,601
1961-1962	51,340	18.8	64,099	23.5	112,638	41.3	44,572	16.4	272,649
1962-1963	55,775	18.9	71,502	24.2	121,283	41.0	47,115	15.9	295,675
1963-1964	61,073	19.1	80,188	25.0	128,221	40.0	51,102	15.9	320,584
1964-1965	67,070	18.3	92,454	25.3	152,401	41.7	53,844	14.7	365,769
1965-1966	75,743	17.9	98,840	23.4	188,874	44.7	58,931	14.0	422,388
1966-1967	82,585	18.2	110,274	24.3	198,135	43.7	62,447	13.8	453,441
1967-1968	91,741	18.6	122,426	24.8	213,496	43.2	66,232	13.4	493,895
1968-1969	93,824	17.4	139,600	25.9	233,710	43.5	70,965	13.2	538,100
1969-1970	100,222	16.7	158,694	26.4	258,979	43.0	83,874	13.9	601,769
1970-1971	103,193	16.1	166,876	26.0	282,600	44.1	88,140	13.8	640,809

Source of Data: The Challenge of Achievement, Joint Committee on Higher Education (1969), p. 31.
The 1969-1971 data were provided by the Department of Finance, Sacramento.

California's independent institutions not only have equalled the original Master Plan's projection for their enrollment, but by 1969-70 already well exceeded the full-time enrollment predicted for the Fall of 1975. The proportion of full-time students in independent institutions has not yet reached that "status quo projection" of 11.2% by 1975, but the current percentage is approaching that.

Because of the varying methods of counting students, it becomes necessary to also show the contribution of students in terms of total enrollment. The following table depicts the growth of total enrollment of the various segments of California's higher education. It obviously reflects the varying ratios of full-time and part-time students within the four segments. For example, total enrollment in the AICCU institutions in 1970-71 is approximately 25% greater than full-time enrollment. By contrast total enrollment in the University of California is only 6% greater than full-time enrollment; whereas total enrollment in community colleges is over double the full-time enrollment. Total enrollment in the AICCU institutions continues to closely parallel the growth in total enrollment of the University of California. The percentage of total enrollment in AICCU institutions is now about 10% of the total for all four segments, including the massive total enrollment of California's community colleges.

TABLE 7
DISTRIBUTION OF TOTAL ENROLLMENT BY SEGMENT, 1959-60 TO 1970-71

Academic Year	University of California		State University and Colleges		Community Colleges		AICCU Institutions		Total Number
	No.	%	No.	%	No.	%	No.	%	
1959-1960	44,860	10.0	88,082	19.6	257,821	57.4	58,456	13.0	449,219
1960-1961	49,719	10.0	94,081	19.1	289,998	58.4	62,002	12.5	496,800
1961-1962	54,265	10.2	105,858	20.0	305,201	57.5	65,149	12.3	530,473
1962-1963	58,616	10.1	118,057	20.3	336,704	57.7	69,168	11.9	582,545
1963-1964	64,504	10.1	133,108	20.9	368,008	57.6	72,590	11.4	638,210
1964-1965	71,267	10.1	148,796	21.0	411,338	58.2	75,407	10.7	706,808
1965-1966	79,437	10.3	154,887	20.0	459,400	59.4	80,107	10.3	773,831
1966-1967	86,406	10.4	169,520	20.5	487,458	49.0	83,426	10.1	826,810
1967-1968	95,376	10.7	185,601	20.8	521,695	58.3	90,797	10.2	893,469
1968-1969	98,781	10.1	211,600	21.7	567,749	58.2	97,141	10.0	975,271
1969-1970	106,035	10.1	224,897	21.5	602,917	57.5	114,583	10.9	1,048,432
1970-1971	109,033	9.7	241,559	21.6	651,997	58.2	117,158	10.5	1,119,747

Source of Data: The Challenge of Achievement, Joint Committee on Higher Education (1969), p. 31.
The 1969-1971 data were provided by the Department of Finance, Sacramento.

Total enrollment reflects some rapid changes, up and down, in part-time students. Part-time graduate students have been among the fastest growing segments of enrollment in California's independent colleges and universities.

The following Table 8 shows enrollment data by undergraduate, graduate, and various categories of professional students for the AICCU institutions. Enrollment of law students has grown most dramatically, from 3,280 in 1966-67 to 6,574 five years later in 1971-72. This represents an average annual growth rate of 14.8% for law students in these independent institutions. It is also important to note the absolute decline in FTE enrollment of graduate students within the AICCU institutions from 20,311 in 1969-70 to 18,694 in 1971-72. Over-all, the ratio of enrollments of undergraduate to graduate students in the AICCU institutions has increased from about three to one in 1966-67 to almost four to one in 1971-72. These institutions in 1970-71 enrolled about one-third of all graduate and professional students in California, certainly a disproportionate share of that burden.

TABLE 8
ENROLLMENT DATA - AICCU INSTITUTIONS
1966-67 THROUGH 1971-72

	<u>1966-67</u>	<u>1971-72</u>	<u>5-Yr. Average Annual Growth</u>
<u>Undergraduates</u>			
Full-Time	53,881	64,855	3.8
Part-Time	8,739	10,834	4.4
Total	62,620	75,689	3.9
FTE	57,842	69,584	3.8
<u>Graduate Students</u>			
Full-Time	9,606	11,536	3.7
Part-Time	14,494	19,007	5.6
Total	24,100	30,543	4.8
FTE	17,385	18,694	1.5
<u>Professional</u>			
Medicine	877	1,106	4.7
Dentistry	931	1,132	4.0
Law	3,290	6,574	14.8
Pharmacy	600	962	9.8
Optometry	190	250	5.6
Theology	-	180	-
Total	5,888	10,204	11.6
Grand Total	92,608	116,436	4.6
Total FTE	81,115	98,482	3.9

Source of Data: 1972 Statistical Profile, Independent California Colleges and Universities. Prepared by the AICCU Research Foundation, August 1972.

Degrees Awarded

Another easily quantifiable measure of the contributions of California's independent institutions is the number of degrees they actually award. Certainly "degrees awarded" are frequently regarded as the tangible "output" of higher education. New York State, for example, bases its direct aid to independent institutions, sometimes called "Bundy aid", on the number of degrees awarded. (More will be said about this under the section of this study dealing with "Practices in Other States".) The following Table 9 compares the degrees awarded by California's independent colleges and universities with those awarded by the University of California and the California State Colleges in 1969-70.

TABLE 9
PUBLIC AND PRIVATE CALIFORNIA INSTITUTIONS
DEGREES AWARDED, 1969-70

	<u>Bachelor Degrees</u>	<u>Master's Degrees</u>	<u>First Professional Degrees</u>	<u>Doctors Degrees</u>	<u>All Degrees</u>
Public Institutions	53,826	12,208	1,308	1,928	69,270
Independent Institutions	<u>14,010</u>	<u>7,259</u>	<u>1,845</u>	<u>1,247</u>	<u>24,361</u>
Total Degrees	67,836	19,467	3,153	3,175	93,631

Source of Data: Earned Degrees Conferred 1969-70, Summary Data,
Tables 3A and 3B (Supt. of Documents, Washington, D. C., 1971).

The above table clearly demonstrates the high percentage of degrees awarded by California's independent institutions, particularly in graduate and professional education. The majority of first professional degrees are awarded by the independent institutions. About 35% of all master's degrees and nearly half of all doctoral degrees are awarded by these same institutions. The next table reflects the growth in the number of degrees awarded by the AICCU institutions.

TABLE 10
DEGREES GRANTED BY AICCU INSTITUTIONS
1965-66 THROUGH 1970-71

	<u>1965-66</u>	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	5-Year Annual Increase 1965-66 to <u>1970-71</u>
4-Year Degrees	9,589	12,259	13,071	13,608	7.1
Master's Degrees	4,622	6,330	7,112	7,675	10.7
Doctor's Degrees	808	1,258	1,222	1,363	10.9
<u>Professional</u>					
Medicine	206	200	228	238	2.8
Dentistry	136	217	227	247	12.6
Law	547	923	877	1,046	13.8
Pharmacy	99	112	112	126	4.9
Optometry	<u>33</u>	<u>46</u>	<u>49</u>	<u>52</u>	<u>9.5</u>
Grand Total	16,040	21,345	22,898	24,355	8.6

Source of Data: 1972 Statistical Profile, Independent California Colleges and Universities. Prepared by the AICCU Research Foundation, August 1972.

From Table 10, when compared to Table 8, it becomes apparent that the awarding of four-year and Master's Degrees has increased at a slightly faster rate than enrollment in the AICCU institutions. This is true not only for the past five years but also for each of the past two years. The largest gain was 19.3% in law degrees, a rate which the AICCU expects to be maintained or even increased in the years ahead. The independent institutions of California are providing more than their proportionate share of degrees awarded at every level except, of course, the Associate of Arts Degree.

Assets

Before discussing in some detail in a later section the need for either direct or indirect governmental assistance, it is appropriate to mention the financial assets of California's independent institutions as another of their important contributions to the welfare of California.

The total assets of all AICCU institutions in 1970-71 approach no less than two billion dollars or, more exactly, \$1,843,257,000.

The Association of Independent Colleges and Universities presently divides its members into six different groupings for analytical purposes. This is particularly important when discussing finances because a few highly endowed institutions, for example, can easily distort the data for all of the institutions. For this and subsequent discussions, the AICCU membership is divided into the following groups with these distinguishing characteristics:

TABLE 11

AICCU INSTITUTIONS BY GROUP

GROUP I - Institutions with substantial graduate enrollment and a number of Ph.D. programs:

California Institute of Technology	Stanford University
Claremont Graduate School	University of Southern California

GROUP II - Universities with graduate, professional, and undergraduate programs:

Loma Linda University	University of the Pacific
Loyola University	University of San Diego
Pepperdine University	University of San Francisco
United States International Univ.	University of Santa Clara

GROUP III - Colleges with over \$4 million in endowment and with little or no graduate enrollment:

Claremont Men's College	Pomona College
Harvey Mudd College	Scripps College
Mills College	University of Redlands
Occidental College	Whittier College
Pitzer College	

GROUP IV - Colleges with less than \$4 million in endowment and with enrollment over 800 students:

Azusa Pacific College	Mount St. Mary's College
Biola College	Pacific Union College

GROUP IV (CONTD) -

California Lutheran College
Chapman College
La Verne College
Marymount College

Pasadena College
St. Mary's College of California
Westmont College

GROUP V - Colleges with enrollment less than 800 students:

California Baptist College
College of the Holy Names
College of Notre Dame
Dominican College of San Rafael
Immaculate Heart College
Lone Mountain College

Menlo College
Pacific College
St. John's College
St. Patrick's College
Southern California College

GROUP VI - Specialized institutions:

California College of Arts & Crafts
Golden Gate College
Los Angeles College of Optometry
Monterey Institute of Foreign Studies

Northrop Institute of Technology
Pacific Oaks College
San Francisco Art Institute
West Coast University

The above Table 11 lists the AICCU members during 1970-71 which come under each of these six groupings. The following Table 12 indicates the assets and fund balances for all AICCU institutions and for each of these six groups from 1968-69 through 1970-71

TABLE 12
ASSETS, ENDOWMENT FUNDS, PLANT FUNDS, & DEBT FOR ALL
AICCU INSTITUTIONS & THE SIX GROUPS, 1968-69 THROUGH 1970-71
(DOLLARS IN THOUSANDS)

	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>% of Growth 68-69 to 69-70</u>	<u>% of Growth 69-70 to 70-71</u>
<u>Total Assets</u>					
All Groups	1,631,597	1,734,877	1,843,257	6.3	6.2
Group I	987,713	1,048,339	1,121,503	6.1	7.0
Group II	252,386	269,670	279,857	6.8	3.8
Group III	228,565	241,106	256,961	5.5	6.6
Group IV	90,727	97,705	104,364	7.7	6.8

TABLE 12 (CONTINUED)

	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>% of Growth 68-69 to 69-70</u>	<u>% of Growth 69-70 to 70-71</u>
<u>Total Assets</u>					
Group V	53,905	57,159	59,053	6.0	3.3
Group VI	18,303	20,898	21,519	14.2	3.0
<u>Endowment Funds</u>					
All Groups	524,239	553,310	582,579	5.5	5.3
Group I	397,965	422,935	451,982	6.3	6.9
Group II	30,043	31,248	25,593	4.0	-18.1
Group III	84,732	87,766	92,702	3.6	5.6
Group IV	6,990	7,117	8,202	1.8	15.2
Group V	2,866	2,668	2,700	-6.9	1.2
Group VI	1,643	1,576	1,400	-4.1	-11.2
<u>Plant Funds Including Physical Assets</u>					
All Groups	832,989	889,329	948,305	6.8	6.6
Group I	441,441	470,253	502,863	6.5	6.9
Group II	178,034	188,329	203,206	5.8	7.9
Group III	88,762	97,550	103,776	9.9	6.4
Group IV	65,294	70,318	74,089	7.7	5.2
Group V	45,670	46,744	47,160	2.4	1.0
Group VI	13,788	16,135	17,211	17.0	1.1

TABLE 12 (CONTINUED)

	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>% of Growth 68-69 to 69-70</u>	<u>% of Growth 69-70 to 70-71</u>
<u>Plant Debt</u>					
All Groups	145,003	152,906	154,517	5.5	1.1
Group I	41,005	41,423	43,364	1.0	4.7
Group II	43,240	43,080	42,905	-0.4	-0.4
Group III	16,587	19,763	18,867	19.1	-4.5
Group IV	25,407	28,289	29,675	11.3	4.9
Group V	12,705	13,763	13,453	8.3	2.3
Group VI	6,059	6,588	6,253	8.7	-5.1

Source of Data: 1972 Statistical Profile, Independent California Colleges and Universities. Prepared by the AICCU Research Foundation, August 1972.

Of the total assets of about \$1.8 billion in 1970-71, over one billion represents the assets of the four institutions in Group I: California Institute of Technology, Claremont Graduate School, Stanford University, and the University of Southern California. These same four institutions have maintained the largest rate of growth in total assets of all of the AICCU groupings of institutions with a rate of 7% from 1969-70 to 1970-71.

Endowment funds for all AICCU institutions during 1970-71 totaled almost a half billion dollars, or \$582 million; and of this total, the four institutions in Group I had \$451 million, or nearly all of the total. The thirty-one institutions in Groups IV, V, and VI have an aggregate endowment of \$12.3 million or less than \$400,000 average endowment for each institution in those three groups.

Plant funds, including physical assets, for all AICCU institutions totaled \$948 million, which represents over one-half of their total assets. All of these assets were developed without the assistance of State funds. One can speculate here how much property taxes these institutions would have to pay on their physical plants if they were not tax exempt. If, for example, these physical plants were assessed at 25% of actual value

and then taxed at the rate of \$5.00 per hundred, the resulting tax would be approximately \$12,500,000 per year. The important consideration here is not the possibility of taxing these institutions but rather to make the point that a considerable state granted subsidy, albeit an indirect one, is currently being provided these independent institutions.

While the assets of the AICCU institutions have continued to grow at a rate of about 6% per year, it is important to note that the assets per FTE enrollment have increased only 2.6% between 1969-70 and 1970-71 and for the previous year they decreased by 0.3%! Even the increase this past year fails to keep up with inflation. Only Loan Funds and Life Income Funds grew fast enough to match inflation on a dollars per FTE student basis.

Debt

Plant debt for all the AICCU institutions totals something like \$154 million with less than one-third of that total represented by the four institutions in Group I. Clearly, many of the smaller institutions have substantial debts since in all AICCU groups, except for Groups I and III, plant debt far exceeds endowment funds! For many of these institutions, plant debt is four or five times greater than endowment funds available.

California's independent colleges and universities, out of necessity, have virtually stopped building new buildings. This fact is reflected in the AICCU data for Plant Debt since plant debt decreased in 1970-71 for two groups of institutions and only increased by 1.1% from 1969-70 to 1970-71 for all AICCU institutions. There obviously has been a slowing down of new construction, and the future may see construction funds spent mainly for remodeling existing facilities and, perhaps, facilities to house instructional technology.

Diversity

One of the greatest contributions of California's independent colleges and universities is the plurality of options and opportunities they provide within the totality of higher education within the State. This rich diversity affords California students an extreme variety of institutions, public and private, of educational programs, and of institutional locations and academic focus.

Stanford University and the California Institute of Technology represent institutions of international academic repute. At least four smaller liberal arts colleges also have a more selective student body than the University of California. These colleges include Claremont Men's, Harvey Mudd, Occidental, and Pomona. A number of others are in the same range of selectivity as the University of California. These institutions provide distinctive approaches to academic excellence in a time when our society is posed with the dilemma of providing both mass and elite higher education. In John Gardner's words, "can we be equal and excellent too?" Toqueville long ago predicted that the renewal of excellence, the nurturing of the best minds and highly gifted students,

would be anathema in an egalitarian society. In a society where higher education is increasingly becoming more and more egalitarian, the existence of some institutions committed to their individual brands of excellence becomes increasingly important.

In addition to these institutions, a number of other independent colleges in California offer excellent liberal arts and professional education to able students. Some of the other large independent universities provide inordinate service to the urban areas: USC, Loyola, and the Universities of San Diego, San Francisco, and Santa Clara. At least ten specialized institutions (those included in AICCU Group VI) are characterized by professional training in the arts, languages, sciences, engineering and management.

Church Relationships

Over half of the AICCU institutions are clearly church-related or espouse strong sectarian purposes in their educational programs. Of the fifty-two members of the AICCU during 1971-72, fifteen identify themselves as related to the Catholic Church, another thirteen identify themselves with specific Protestant denominations, four others are Protestant but interdenominational, and twenty say they are "non-sectarian" or completely independent of church relationship.

TABLE 13
CHURCH RELATIONSHIPS OF AICCU INSTITUTIONS, 1971-72

<u>Church Relationship</u>	<u>Number of Institutions</u>
Catholic Church	15
Protestant - Specific Demonination	13
Protestant - Interdenominational	4
Non-Sectarian	<u>20</u>
Total	52

The thirteen Protestant institutions which identify with specific denominations, relate to no less than eleven different churches. Only the Methodist, Baptist, and Seventh-Day Adventist Churches have ties with two institutions in each case. All of these institutions are proud of their church relationships; and perhaps most of these thirteen institutions, including several of the "interdenominational" colleges and universities, stress a conservative or fundamentalist approach to religion, at least as expressed in their goals and purposes.

It is, perhaps, somewhat ironic that many of the fifteen Catholic colleges and universities appear to be becoming more and more secular in purpose. While many of the Protestant-related institutions can attempt to appeal to a specific student constituency, there simply may not be enough interested students to fill all of the Catholic-related institutions. In their current effort to attract a wider student clientele, many of these institutions, particularly the Catholic women's colleges, may find that they appeal to no constituency. Here we should recall the fate of the College of California back in 1868.

The twenty-eight institutions with church relationships present an important alternative to publicly controlled colleges and universities. They represent institutions with a strong moral emphasis even if they do not specifically offer religious training.

Sex and Size

Another difference between private and public institutions is the existence of single sex independent institutions. During 1971-72 there were three all men's colleges as members of the AICCU: Claremont Men's College, St. John's College, and St. Patrick's College. (The latter two institutions are Catholic men's seminaries, and they are no longer members of the AICCU.) Five institutions still serve women exclusively: Marymount College (now coordinate with Loyola University), Mills College, Mount St. Mary's College, Russell College, and Scripps College. All of these women's colleges are Catholic, except Mills and Scripps which are non-sectarian. A number of other former women's colleges have recently become coeducational. Lone Mountain College, formerly San Francisco College for Women, still enrolls 90% women. Dominican College in San Rafael remains almost exclusively women. Similarly, the College of Notre Dame retains 80% female students. By contrast, St. Mary's College enrolls 87% men, and Northrop Institute of Technology has nearly 99% men in its engineering, science, and management programs.

Size, relatively small size, is one of the most physically apparent differences between California's public and independent institutions. Except for the state colleges at Bakersfield, Stanislaus, Dominguez Hills, and Sonoma, it is difficult to find public four-year institutions as small as most of the independent colleges. Only Stanford with about 12,500 students (half graduate and half undergraduate) and USC with about 20,000 students, many of whom are part-time graduate students, approach the size of most of the University of California and California State University campuses. To those students for whom institutional size, small size, is an important factor in their education, the independent institutions offer the more intimate atmosphere. The median enrollment of the AICCU institutions is approximately 1,450, and 40 of the 52 institutions have enrollments of less than 2,000 students.

TABLE 14
SIZE OF ENROLLMENT OF AICCU INSTITUTIONS, 1970-71

<u>Size of Institution</u>	<u>Number of Institutions</u>
Over 10,000 Total Enrollment	2 (Stanford and USC)
5,000-10,000 Total Enrollment	3 (UOP, USF & Santa Clara)
4,000-5,000	1 (Golden Gate College)
3,000-4,000	3 (Loma Linda, Loyola, USIU)
2,000-3,000	3 (Chapman, Pepperdine, Whittier)
1,000-2,000	16 - - -
500-1,000	16 - - -
Less than 500	<u>8</u> - - -
Total	52

Source of Data: What's the Story?, published by the AICCU (1971).

Another comment about size becomes important. Today many worldly wise and sophisticated students seek large campuses, with presumably a wide diversity of students and educational programs, or, "where it's happening". Some institutions, public and private, are able to convert geographic isolation into very positive virtue, but at the same time the virtues of smallness or isolation may not be strong enough to attract a sufficient number of students to remain viable. Over half of the above 52 institutions enroll less than 1,000 students, and this low enrollment tends to be economically costly.

California Residents

To what degree are the California independent colleges and universities serving California residents? Of the total enrollment in the AICCU institutions, 70 to 80 percent of all students enrolled in these institutions are California residents.

TABLE 15
PERCENT OF CALIFORNIA RESIDENTS ATTENDING INDEPENDENT
COLLEGES AND UNIVERSITIES, 1970-71

<u>Percent California Residents</u>	<u>Number of Institutions</u>
90 to 100 percent	8
80 to 90 percent	14
70 to 80 percent	14
60 to 70 percent	5
50 to 60 percent	6
Less than 50 percent	2
Unknown	<u>3</u>
Total	52

Source of Date: AICCU Counselor's Manual, 1971.

TABLE 16
ENROLLMENT, PERCENT OF CALIFORNIA RESIDENTS, AND CHURCH RELATIONSHIP
CALIFORNIA INDEPENDENT COLLEGES AND UNIVERSITIES

	<u>1970-71 Enrollment</u>		<u>Percent of California Residents</u>	<u>Church Relationship</u>
	<u>Under- Graduate</u>	<u>Graduate</u>		
Azusa Pacific College	836	138	79	Free Methodist
Biola College	1,545	26	70	Interdenom. Christian
California Baptist College	690	-	75	So. Baptist
California College of Arts & Crafts	1,350	130	70	Independent
Calif. Inst. of Technology	762	743	35	Non-Sectarian
Calif. Lutheran College	1,196	-	90	An. Lutheran
Chapman College	1,302	70	78	Disciples of Christ
Claremont Men's College	802	-	65	Independent
College of the Holy Names	586	278	84	Catholic
College of Notre Dame	450	125	28	Catholic
Dominican College of San Rafael	412	405	85	Catholic

TABLE 16 (CONTINUED)

	1970-71 Enrollment		Percent of California Residents	Church Relationship
	Under- Graduate	Graduate		
Golden Gate College	2,103	1,930	90	Non-sectarian
Harvey Mudd College	402	-	65	Independent
Immaculate Heart College	703	141	56	Catholic
La Verne College	754	318	88	Church of the Brethren
Loma Linda University	1,465	130	76	Seventh-Day Adv.
Lone Mountain College	1,498	40	80	Catholic
Los Angeles College of Optometry	245	-	87	Independent
Loyola Univ. of Los Angeles	1,964	1,697	90	Catholic
Marymount College	743	-	88	Catholic
Menlo College	525	-	50	Non-sectarian
Mills College	850	110	50	Interdenominational
Monterey Inst. of Foreign Studies	118	174	87	Non-sectarian
Mount St. Mary's College	803	364	94	Catholic
Northrop Inst. of Tech.	1,111	8	48	Independent
Occidental	1,759	110	65	Non-sectarian
Pacific College	403	15	87	Mennonite Brethren
Pacific Oaks College	105	109	95	Non-sectarian
Pacific Union College	1,901	91	82	Seventh-Day Adv.
Pasadena College	1,115	145	83.5	"Church of the Nazarene" - Evan- gelical & Wesleyan
Pepperdine University	1,642	738	70.8	Church of Christ
Pitzer College	720	-	50	Independent
Pomona College	1,300	-	63	Non-sectarian
Russell College	121	-	97	Catholic
St. John's College	177	40	92	Catholic
St. Mary's College	1,150	10	79	Catholic
St. Patrick's College	126	-	97	Catholic
San Francisco Art Inst.	935	48	-	Independent
Scripps College	560	-	50	Independent
Southern Calif. College	516	-	75	Assembly of God
Stanford University	6,303	5,217	54	Non-denominational
U.S. Int'l University	3,080	1,400	60	Non-sectarian
Univ. of the Pacific	3,676	368	70	Methodist
Univ. of Redlands	1,850	425	20	American Baptist
Univ. of San Diego	1,209	171	-	Catholic
Univ. of San Francisco	3,828	880	86	Catholic
Univ. of Santa Clara	3,286	3,344	80	Catholic
Univ. of So. California	8,050	11,000	70	Non-denominational
West Coast University	1,056	383	80	Non-sectarian
Westmont College	860	24	77	Biblical Christian
Whittier College	2,046	160	75	Quaker

Diversity of Purpose and Educational Program.

"A four-horse team can be driven through any formal statement you can make of the purpose of your college."
Woodrow Wilson, quoted AAC Bulletin, November 1927.

As part of the background research for this report, the author reviewed every current catalogue of California's independent colleges and universities as though he were a prospective student. The first and perhaps most important reaction to reading all of these catalogues is the great similarity of the lofty educational rhetoric in the introduction of most bulletins. One can almost substitute the name of one institution for another in the paragraph typically labeled "institutional goals" or "the purposes of X college".

This writer came across one college catalogue which spoke with complete candor. Even the format of the catalogue was different, being in the form of a newspaper, and it was hopefully not written by a "public relations expert".

College Catalogs are dishonest. They talk about things that were, things that might be and things that never were or will be. Seldom do they talk about things that are. Philosophy of education is fine, but it's not what's going on in the here and now. One merely needs to take a brief glimpse of sections on student life in most catalogs to realize that they are written not by students whose life is being described but by some faculty member, public relations expert or whatever. Why aren't students allowed to write about their concerns and what's going on with them? Why do catalogs show posed photographs of students with short hair; none with long hair, none with one day's beard growth, none demonstrating or protesting, none being sloppy in a sloppy residence hall room, none sleeping in class?

To give credit where it is due, the above paragraph was found in the "catalogue" of Immaculate Heart College, September 1971.

Despite a great similarity of some avowed educational purposes, there remains great diversity of educational programs and approaches to education within California's independent colleges and universities. One recent AICCU survey indicated that at least twenty-five of its member institutions have made comprehensive revisions of their undergraduate curriculum within the past five years. Institutional autonomy, relatively small size in most cases, and flexibility have permitted such revisions. A number of independent institutions have adopted new academic calendars in the past five years with the 4-1-4 becoming increasingly popular. (One educational cynic has called it: "four-none-four".)

Besides such general comments about change and differences, true diversity of educational options do exist. The most dramatic variations are among the specialized institutions in AICCU Group VI. Three institutions

focus on the arts, one on languages and "understanding foreign nations", and two offer primarily science and engineering. One of these, West Coast University, offers all of its courses in the evening to serve employed adults. Likewise, Golden Gate University serves an urban clientele of part-time students including their Law School. Pacific Oaks College is an upper division and graduate institution only, the only one in California. (Some other independent institutions may want to consider the option of becoming upper division institutions.)

A number of other independent institutions maintain a particular curriculum emphasis. Cal Tech is well known for its program in science and engineering, and it hopes "to train a creative type of engineer and scientist". Likewise, Harvey Mudd College within the Claremont Group offers excellent programs in science and engineering. Loma Linda University has "sprung from medical origins", to quote its catalogue, and specializes in medical and health education. Menlo College, besides its excellent two-year transfer program, offers a four-year business course. Claremont Men's College emphasizes economics of political science while preparing students for "public affairs". Other institutions, such as Holy Names and La Verne Colleges, specialize in leader training.

There are other dimensions to institutional diversity which demonstrate the flexibility of California's independent institutions. The six Claremont Colleges pioneered the cluster college concept by establishing a federation of smaller institutions but with each maintaining its unique purpose and, to some measure, its institutional autonomy. The University of the Pacific also maintains four residential "cluster" colleges, one of which is entirely Spanish speaking. The University of Redlands has chosen to create, and not always comfortably contain, the experimental Johnston College. Other universities, such as San Diego and Loyola, have become coordinate institutions with previously single sex institutions.

Stanford University led most American universities in establishing campuses abroad. Now University of the Pacific and United States International University have also established campuses overseas. USIU has also created one of the few "middle colleges" (grades 11 through 14) in the country. Part of the Chapman College floats, becoming famous as its World Campus Afloat. Chapman, Pepperdine, Golden Gate, La Verne, and USC have all established a number of educational programs on military bases and other off-campus locations throughout California.

To look beyond the AICCU member institutions, the potential and actuality of diversity becomes even more extreme. For example, there are at least three ethnic-centered institutions developing: Nairobi College in Palo Alto, the DQU in Davis, and the Universidad in Fresno. The Wright Institute in Berkeley offers a doctorate only in social clinical psychology. The Rand Corporation awards degrees in policy analysis only, the California School of Professional Psychology offers doctorate degrees in clinical psychology.

Despite this diversity, there are a number of institutions, the church-related liberal arts colleges, that are still remarkably similar

in purpose if not in student clientele. Many independent institutions have obviously not yet taken full advantage of their autonomy. On the other hand, there is great diversity among the aggregate of the independent colleges and universities. But one man's "diversity" is another man's "proliferation". The next chapter examines current practices of the State of California in establishing, encouraging, assisting, and, to some extent, in controlling some independent institutions.

REFERENCES

1. Orrin Leslie Elliott, Stanford University: The First Twenty-Five Years (Stanford: Stanford University President, 1937), p. 94.
2. Ibid, p. 80.
3. A Master Plan for Higher Education in California, 1960-1975, (California State Department of Education, Sacramento, 1960), p. 45.

CHAPTER III

PRESENT PRACTICES IN CALIFORNIA

Ever since California became a state, a variety of fundamental relationships has closely tied the state to its independent colleges and universities. The evolution of these policies and practices shapes, in large measure, today's issues and concerns. The present practices of California regarding independent institutions fall under two very general headings: legal ties and indirect state aid. The legal ties include these basic current practices: 1) Chartering; 2) Exemption from Taxation; 3) The Right of Eminent Domain; and 4) Participation on the Coordinating Council. Current means of indirect state aid, besides tax exemption and the right of eminent domain, include: 1) State Scholarship Program; 2) State Graduate Fellowships; 3) College Opportunity Grant Programs; and 4) Contracts with Medical Schools.

Chartering

The exclusive right of the state to grant charters determines the limit of corporate activity of any specific college or university. Accreditation is a second hurdle, but one largely in the hands of the various regional accrediting associations, such as the Western Association of Schools and Colleges.

By 1850 it was well understood that only states could grant charters to colleges with rights of granting degrees, exemption from taxation, and other privileges such as the right of eminent domain. In April of 1850 the Governor of California signed into law a bill which provided for the incorporation of colleges. Essential features of that law included the provision that the Supreme Court had to be satisfied that the college had an endowment of twenty thousand dollars (\$20,000) before granting the college a charter.¹

This act was amended five years later so that "the State Board of Education, consisting of the Governor, Superintendent of Public Instruction and Surveyor General" rather than the State Supreme Court incorporated colleges. Only the University of the Pacific received a charter from the State's Supreme Court.

Diploma Mill Legislation

Over the years, the California Legislature has periodically been concerned about the requirements, particularly the tax requirements, for a private college to obtain a charter. Various abuses occasionally pushed chartering into the limelight.

The chartering of private colleges was eventually codified in the state's Education Code, and the right to actually grant charters was likewise eventually delegated to the Secretary of State. The Education Code as amended in 1939 limited the right to issue degrees of any kind to

incorporated organizations which, by the Education Code, were required to meet certain conditions, including ownership of real or personal property, to be used exclusively for education, valued at \$50,000.²

The post-World War II flood of enrollments, combined with the benefits of the GI Bill, which then also paid tuition regardless of price, led to the incorporation of many questionable educational institutions, which capitalized on the big business of veteran education. Some of the more notorious educational abuses were officially ignored, partially because of California's tolerance of the experimental, even the bizarre and occult. Gradually the more flagrant examples of out-right selling of degrees and assorted diplomas were brought to the attention of the State Department of Education and, by 1956, to the office of the Attorney General, Edmund G. Brown.

During 1957 Attorney General Brown and the Legislature moved ahead with their own investigations of diploma mills. Hearings were held in October 1957 which produced front-page headlines for four days. A number of the victims, or perhaps beneficiaries depending on one's point of view, freely admitted buying and selling of fraudulent diplomas, certificates of ordination and degrees by various universities, colleges, and schools.³

These sensational hearings led to legislation in 1958 which tightened the requirements for incorporation of colleges and the granting of degrees, but the \$50,000 requirement remained in force for all institutions except those accredited, in one way or another, by State agencies or departments. Of course, the dilemma confronting the State is how to encourage genuine innovation and to "preserve educational freedom but control unscrupulous operators of 'diploma mills'".⁴ The Education Code was revised again in 1959 to require all institutions to file with the Superintendent of Public Instruction the names and addresses of the institution, its officers, and the "custodian of such records" as required by the Act of 1958.⁵ Section 29009 subsequently amended this requirement, still onerous to many institutions, to apply to "all except accredited corporations".⁶

Current Concerns with Chartering

During 1969 and 1970 the problem of "diploma mills" once again came into the limelight with the Rev. Kirby J. Hensley, D. D. President of the Universal Life Church, Inc., in Modesto who granted his "credentials of ministers", and, for a fee, Doctor of Divinity degrees. The church-state issue becomes involved with ordination, but the issuing of "degrees" by dubious means continues to be of concern to the public and legitimate educational institutions.

During the 1969 Regular Session of the Legislature, Senate Concurrent Resolution 148, introduced by Senator Albert S. Rodda, directed the Coordinating Council for Higher Education to study Division 21 of the Education Code and "to develop alternative methods to those currently provided" to charter private schools, colleges, universities, and the "more than one thousand privately owned and operated" post-high-school institutions in California.

In October of 1971, the staff of the Coordinating Council published "a Position Paper on Division 21 of the Education Code", entitled The Chartering of Private Institutions of Higher Education in California. The Council staff declared in this report "that the conditions under which a nonpublic, postsecondary institution may come into existence do not satisfactorily provide the safeguards needed to assure quality educational enterprise and do not adequately provide protection to the citizens of the State".⁷

The Council paper cited the existing provisions of Division 21, Section 29001 (a) (1-3) that "no person, firm, association, partnership or corporation may issue, confer or award an academic or honorary degree or title unless one of the following requirements is met":

1. The course upon which the degree is based must be accredited by either a national or regional accrediting agency recognized by the U.S. Office of Education (USOE);
2. The awarding entity is approved by the Superintendent of Public Instruction; or
3. The corporation granting the degree owns an interest in real and/or personal property used exclusively for the purpose of education of a fair market value of at least \$50,000.⁸

The Council then cited a great number of problems, and abuses, primarily from those institutions chartered and granting degrees or diplomas under Section 29001(a)(3). It's almost ironic that California's first legislation for the chartering of colleges in 1850 required only \$20,000 in assets. In one hundred and twenty years the assets required increased by only two and one-half times.

The Council staff recommended the creation of two new agencies, one to charter those institutions which require a high school diploma for admission and which award associate or higher degrees and another agency to charter all other private educational institutions. The Council staff also recommended that "the appropriate chartering agency should conduct a continuing program of institutional evaluation and promotion of quality".⁹

During the 1972 Regular Session, Assembly Bill 1083, introduced by Assemblyman Biddle, and Assembly Bill 1946, introduced by Assemblymen Biddle, Stull, and Lewis, addressed themselves to the problems posed by, and to the recommendations contained in, the Coordinating Council report on private educational institutions. The former "did not see the light of day" in the Committee on Education and the latter died in the Committee on Government Administration. The writer has been told that A.B. 1946 on "private educational institutions" will be reintroduced in the next session of the legislature.

The political influence of the State's private schools, colleges, and training institutes should not be underestimated. With over one thousand

private institutions of post-secondary education or training in California, there is no legislative district which doesn't contain at least half a dozen of these institutions. The experience of this past year demonstrates that these institutions do not want substantial changes in the requirements for a charter or increased control and/or coordination by the State, at least at the present time. This situation will undoubtedly change in the future, at least to some extent. The new State Commissions required by Section 1202 of the Federal Education Amendments of 1972 must be "broadly and equitably representative of the general public and public and private nonprofit and proprietary institutions of post-secondary education in the State including community colleges, junior colleges, post-secondary vocational schools, area vocational schools, technical institutes, four-year institutions of higher education and branches thereof".

The existing practice of chartering private colleges and universities remains one of the most fundamental obligations and responsibilities of the State of California. In the future the State must continue to cope with the dilemma of how to protect the public's interest and to encourage innovation yet, at the same time, not unduly infringe upon the autonomy and educational independence of the State's non-public institutions.

(An excellent summary of the "Legal Bases for the Establishment and Regulation of Private Institutions and Corporations" for all fifty states can be found in the May-June 1972 issue of Higher Education in the States, Volume 3, Number 4, published by the Education Commission of the States. The length of this comprehensive ECS summary table prevents its inclusion in this report as an Appendix.)

Tax Exemption

California first provided for chartering of colleges in April 1850, but it was not until two years later, in April of 1852, that tax exemption was extended to these same institutions. The Legislature in 1852 exempted from taxation several categories of public property as well as "all lands, buildings and other property which was granted and held for educational purposes". This exemption included "all schoolhouses and other buildings together with their furniture, equipment, and lands appurtenant, used for educational purposes".¹⁰

As mentioned in Chapter I under the section of "The Constitution of 1879", tax exemption was eliminated for "all property within this state, except the property of the United States, of the state, and of municipal corporations". With that act, California became the only state to tax its private schools, colleges and universities.

Taxation of the independent colleges continued into the twentieth century. The prohibition of state support remains, but in November of 1914 the voters approved fifteen out of twenty-two proposed amendments to the ever-expanding state constitution. One of the approved amendments became Section 1a of Article XIII:

Any educational institution of collegiate grade, within the State of California, shall hold exempt from taxation its buildings and equipment, its grounds within which its buildings are located, not exceeding one hundred acres in area, its securities and income used exclusively for the purposes of education.¹¹

Yet another constitutional amendment in 1952 made it clear that the above exemption applied equally to new buildings as well as existing ones. Another amendment in 1962, the first Proposition 13 to be approved by the voters since early in the century, eliminated the phrase "not exceeding 100 acres of area".

During an interview in 1969, Clark Kerr, the former President of the University of California, said what may be the obvious: "you know that when you exempt people from taxes, it's the same thing as giving them money". As mentioned in Chapter II on the "Assets" of the AICCU institutions, if the physical assets of these institutions were not granted tax exemption, and if these assets of almost one billion dollars were taxed at a rate of \$5.00 per hundred, and were assessed at 25% of actual value, the resulting taxes paid to the State would equal approximately \$12,500,000 per year.

The notion of exemption for private colleges and universities is so ingrained by tradition in American higher education that no one would seriously propose today the elimination of this exemption. Even so, it is an option which does exist, and both the State and independent colleges and institutes should be fully aware of all the implications of this exemption from taxation.

The Right of Eminent Domain

In May of 1929 the California Legislature passed an act extending to private colleges the right of eminent domain, a State-granted privilege which may be unique to this day among the fifty states. The California Code of Civil Procedure, Section 1238, was amended in 1929 to grant the right of eminent domain to "any institution within the State of California which is exempt from taxation under the provisions of Section 1a, of Article XIII", which is the same section added to the Constitution in 1914 to provide tax-exemption to the private colleges and universities except for Stanford University.¹² Stanford had obtained tax exemption with its own constitutional amendment in 1900 which was necessary in order to give the University a firm legal foundation.

Over the years Stanford has lost about 665 of its original 8,833 acres by various acts of condemnation, since the University, by its founding grant, was prohibited from selling any of its land. Other colleges and universities have become land-locked, and the University of Southern California spearheaded the campaign in 1929 for all private colleges and universities to garner the right of eminent domain in order to obtain needed additional property for educational purposes. USC has exercised this right a number of times, at least six times during the 1960's.

Chapman College, Whittier College, and the Northrop Institute of Technology have also exercised their state-granted right of eminent domain, Northrop as recently as 1970 in order to obtain needed additional land for their campus. The legally established right of eminent domain is as powerful in the threat as in the practice. The legality of this right of eminent domain has been upheld in several court tests including the well-known University of Southern California vs. Robbins (1934). Both Pasadena College and the University of the Pacific, as well as other independent colleges and universities, have threatened to exercise their right of eminent domain to obtain needed additional property. Since the courts had recognized their rights to do so, these institutions were able to obtain the property in question without exercising the right of eminent domain.¹³

Participation on the Coordinating Council

Ever since the implementation of California's original Master Plan for Higher Education in 1960, private institutions have been represented on the Coordinating Council for Higher Education not simply as observers but with full voting powers. Moreover, the independent institutions have always been equally represented with each of the three public segments of higher education.

The late Arthur Coons was well aware of the rather unique participation of private colleges and universities on the Council. Coons himself noted that "in the view of some political scientists the position of private institutions on the Coordinating Council brings their voices to bear upon issues of public higher education which it is agreed are not strictly their business".¹⁴

Representation of private institutions on the State's Coordinating Council does not, at least today, seem either revolutionary or even inappropriate. Regardless of how one views the effectiveness of California's Coordinating Council for Higher Education, it is most significant that ever since the Council was created, the independent colleges and universities have been formal members of the Council with full voting powers. In fact, by custom rather than by law, the presidency of the Council has alternated between a representative of independent colleges and universities and a representative of the general public.

California's independent institutions were not always actively included in the State's planning for higher education. "The Strayer Report", A Report of a Survey of the Needs of California in Higher Education, in 1948 did not have the State's private institutions directly participate in that study. This despite the fact that in 1947 the independent colleges and universities enrolled 28.84 percent of the total of 171,785 students in all of higher education in the State.

Higher education in California, as elsewhere, is forever being studied! By 1955, the Restudy of the Needs of California in Higher Education directed by Professor T. R. McConnell, then of the University of Buffalo, invited California's independent institutions to participate:

These private institutions by their very nature are and should be free from legislative inquiry and direction in their programs and policies. Therefore, the Restudy staff felt it inappropriate to do more than invite private institutions to cooperate in any way they wished in planning for the future coordination and development of higher education in California. Also, for the same reason, the Restudy staff has not made specific recommendations concerning their role.¹⁵

One of the most important outcomes of the Restudy was the establishment, in 1955, of the State Scholarship Program. But it took the original Master Plan Survey Team, headed by President Arthur Coons of Occidental, which belatedly added a representative from independent higher education to itself, to recommend a Coordinating Council which would include representatives from private colleges and universities with full voting power. Arthur Coons himself wrote of at least five reasons why the Survey Team recommended having representatives from private institutions on the Council, "not simply as observers but to set with full powers to vote".

One was the historical position of private higher education in California with academic strength and reputation possessed by several beyond the state on a national and world level. . . . and distinct contributions had been made before the State of California adequately awakened to its public responsibilities in higher education both as a result of population growth and economic development.

The second reason is that private institutions enjoy incorporation by charter from the state. They are today not really private but quasi-public corporations, and the very large majority of these so-called private institutions have been fulfilling public purposes, not private goals, as the federal government's policies in several areas of fund distribution have attested.

The third reason is that, except for certain inter-institutional rivalries better not detailed, there had been a considerable mutuality of respect and cooperation between and among public and private institutions, especially the stronger ones from each segment, to keep the standards of higher education in California high. . . . Apart from the formal associations and relationships, as in so many phases of human life, there was mutual goodwill and cooperation for certain ends and competition to advance one's own programs and approaches to problem solving.

The fourth major reason was political. The political weight of the private institutions was such that if this factor were overlooked there would be peril to progress. As to one item alone, namely, analysis of the educational background of the State Legislature showed a considerable identification

with private colleges and universities, and although no simple conclusion could or should be reached from such a fact, the fact remained that at least a good hearing for private institutions would be assured. . . .

The fifth reason was intensely down to earth, namely, the already demonstrated effectiveness of the private institutions in common action in support of the California State Scholarship Program passed in 1955. . . . The Legislature proved itself genuinely concerned about the case made by the private institutions, and this fact made an impression on public higher education leaders. . . .¹⁶

Having Arthur Coons write about California's Master Plan is like having Moses write About the Ten Commandments: no one knew it better or loved it more. Any ills today in California's higher education are not the result of any weaknesses in the Master Plan's recommendations, but rather due to the failure of heathen legislators, administrators and faculty to accept and/or then abide by the Survey Team's commandments.

Even so, the reasons stated by Coons why independent institutions were initially included on the Coordinating Council are especially timely and appropriate today. Independent institutions obviously have a very direct interest in the location of new public institutions or new campuses of existing public institutions, as in a number of other educational concerns such as faculty salaries in public institutions and development of a number of external degree programs.

While the independent institutions have been represented by full voting members of the Council, the fact remains that the Council, in turn, has no advisory responsibility over these institutions.

In the Spring of this year, Dr. Owen Albert Knorr, the Director of the Coordinating Council, wrote to Attorney General Evelle J. Younger requesting an opinion on "what specifically is the relationship between the Coordinating Council for Higher Education and the private higher education sector, and specifically whether the Council is advisory to private higher education".¹⁷

In his five-page opinion, written on March 14, 1972, the Attorney General declared that "It is our conclusion that under the Donahoe Higher Education Act (Education Code Sections 22700-22705) the Coordinating Council for Higher Education has no advisory responsibility to private higher education".¹⁸ (This five-page opinion of the Office of the Attorney General, written on March 14, 1972, is contained at the end of this report as Appendix B.)

Therefore, while California's independent institutions have full voting powers on the Council, which is presently one vote out of ten, the Council in turn, at least in the opinion of the Attorney General, presently has no advisory responsibility to private education. This is to say the Council can not tell, or perhaps even suggest, what independent colleges can or can not do. While the Council also administers a number of federal programs

which require contact with independent colleges and universities, these contacts do not "make the Council advisory to private education".¹⁹

The State Scholarship Program - The Origins

Until now, this Chapter has discussed the present legal bases between independent higher education and the State of California. The State Scholarship Program looms large as the most important current means by which the State of California provides indirect financial assistance to the State's independent colleges and universities.

If the late nineteenth and early twentieth centuries might be regarded as the "era of the great university presidents" in American higher education, then the period since World War II might be known as the era of the report, commission survey, committee and task force. Nothing, apparently, can be accomplished without the appropriate benediction of some group.

The State Scholarship Program has complex origins, but it can trace its genesis back to one of the first of the long series of such studies and reports concerning California higher education undertaken since World War II. A Report of a Survey of the Needs of California in Higher Education, better known as "The Strayer Report", after George D. Strayer of Columbia University who was chairman of the team who conducted the survey, was begun in 1947 and was then published and made public in 1948.

The Strayer Report recommended in 1948 "That there be established 2,000. . . . subsistence scholarships paying \$750 each per year, which may be used to attend any of the public higher institutions of California".²⁰ The Strayer committee also recommended 500 subsistence fellowships for use in the graduate and professional schools of the University of California. The important fact to note here is that the undergraduate scholarships and the graduate fellowships, as recommended, could be used at only public institutions, partially out of concern for the church-state issue.

As is the custom, the Strayer Committee also recommended further studies. In 1953 the Legislature authorized \$112,000 for a "Restudy of the Needs of California in Higher Education". Dr. T. R. McConnell, former chancellor of the University of Buffalo, which was then a private university, was brought in as Chief Consultant for the Restudy. Unlike the Strayer Committee, Professor McConnell chose to include private colleges and universities in the Restudy, partially because in 1953 these institutions accounted for approximately 28 percent of the total enrollment in the State.

The Restudy staff established a "Professional Advisory Committee" consisting of twelve members including five from the private sector. This committee, predictably, sent out a questionnaire to all institutions of higher learning in California, both public and private, to elicit the needed facts. Enrollment from Korean conflict veterans had, by this time, begun to ebb, and from the response to the questionnaire it appeared that many of the private colleges could accommodate more students than were then

enrolled. Since a principal barrier to private schools, then as now, was presumed to be tuition, a logical answer was for the state to provide scholarships for students which could be used in either public or private institutions.

Between the Strayer Report in 1948 and prior to the Restudy in 1954, a volunteer California Committee for the Study of Education in 1950 recommended a state subsistence scholarship program which might be used at private institutions if students also received tuition scholarships from the private institutions. While the idea of state scholarships, useable at private colleges and universities, predates the Restudy, it took the investigations and recommendations of the Restudy to finally bring the State Scholarship into being. The Restudy final report, issued in February of 1955, recommended a program of 800 state scholarships of up to \$600 "based on actual or demonstrated need and (which) would be useable at either public or private institutions in the State".²¹

Several bills introduced into the 1955 session of the legislature proposed state scholarships. The fact that some of these bills required the scholarships to be used at only public institutions, caused the State's private institutions to become organized around the cause of scholarships useable at private colleges and universities. This effort directly led to the creation of the Association of Independent Colleges and Universities (AICCU).

After much wrangling and months of lobbying and several dramatic amendments, A.B. 1546 originally introduced by Assemblyman Sheridan Hegland of La Mesa, finally was signed into law by Governor Goodwin Knight on July 8, 1955. The late Arthur Coons observed that "the political strength, existing and potential, of the private institutions had been demonstrated in the legislative passage in 1955 of the enabling act to create the California Scholarship (Program and) Commission".²²

The Impact of the State Scholarship Program

The State Scholarship Program came into being in 1955 with essentially three purposes: 1) to save taxpayers money by diverting students to independent institutions; 2) to provide indirect financial assistance to independent institutions; and 3) to award direct aid to able and needy students. The First Biennial Report of the State Scholarship Commission in 1958 declared that "through the operation of this program, maximum utilization has been approached of vacant facilities in private colleges within the State of California".²³

Tables 15, 16, 17, and 18 reflect the impact of the State Scholarship Program in a number of dimensions since its first year of operation in 1956-57 up through the awards for the current academic year 1972-73. While the total number of awards has grown fantastically from 599 that first year to 23,028 awards this current year (see Table 18), the percentage of scholarship recipients attending independent colleges has slowly declined from a high of 67.6% in 1962-63 to 46.0% in the current academic year 1972-73 (Table 15).

Dollars awarded have grown from a modest \$244,000 in 1956-57 to over \$23 million dollars in total awards during the current year (Table 18). Because of the very low tuition at the University of California and the modest required fees at the California State University and colleges, the vast majority of the money awarded through State Scholarships has gone to those students attending the higher-cost independent institutions. Even so, the percentage of Scholarship dollars going to students attending independent colleges has also slowly declined from a high of 91.0% in 1961-62 and 1962-63 to the present 76.7% during the present year (Table 17).

TABLE 17

DISTRIBUTION OF PERCENTAGE OF STATE SCHOLARSHIPS
BY SEGMENT, 1956-57 THROUGH 1972-73

<u>Year (September)</u>	<u>Independent Colleges</u>	<u>Univ. of California</u>	<u>State Colleges</u>
1956	62.9	28.6	8.5
1957	65.2	28.4	6.4
1958	66.5	27.8	5.7
1959	65.5	29.7	4.8
1960	67.0	28.9	4.1
1961	65.8	29.3	4.9
1962	67.6	27.3	5.1
1963	65.0	28.9	6.1
1964	63.9	30.9	6.1
1965	62.3	32.2	5.5
1966	60.4	32.8	6.8
1967	56.8	35.0	8.2
1968	51.3	36.3	12.4
1969	50.3	37.3	12.4
1970	48.5	38.2	13.3
1971	46.8	38.1	15.1
1972	46.0	36.7	17.3

Source of Data: Data compiled from the Biennial Reports and mineographed "Comparative Data" reports, California State Scholarship and Loan Commission, Sacramento, California.

TABLE 18

DISTRIBUTION OF DOLLARS AWARDED (IN THOUSANDS)
BY SEGMENT, 1956-57 THROUGH 1972-73

<u>Year (September)</u>	<u>Independent Colleges</u>	<u>Univ. of California</u>	<u>State Colleges</u>	<u>Total Dollars Awarded</u>
1956	\$ 220	\$ 21	\$ 3	\$ 244
1957	483	44	5	532
1958	740	72	7	819
1959	985	110	11	1,106
1960	1,140	109	9	1,140
1961	1,606	138	15	1,759
1962	2,058	188	17	2,263
1963	2,307	271	24	2,602
1964	3,197	378	28	3,603
1965	3,247	406	27	3,680
1966	4,017	489	41	4,547
1967	4,373	597	67	5,037
1968	6,400	1,143	152	7,695
1969	9,743	1,513	227	11,483
1970	11,134	2,391	312	13,837
1971	13,816	3,159	330	17,305
1972	17,743	4,757	643	23,143

Source of Data: Compiled from Biennial Reports, mimeographed "Comparative Data" reports, and from additional data supplied by Mrs. Dortha L. Morrison, Assistant Executive Director, State Scholarship and Loan Commission.

TABLE 19

PERCENTAGE DISTRIBUTION OF SCHOLARSHIP DOLLARS AWARDED
BY SEGMENT, 1956-57 THROUGH 1972-73

<u>Year (September)</u>	<u>Independent Colleges</u>	<u>Univ. of California</u>	<u>State Colleges</u>
1956	90.0	8.7	1.3
1957	90.7	8.3	1.0
1958	90.3	8.7	1.0
1959	89.0	10.0	1.0
1960	89.6	9.6	.8
1961	91.0	8.0	.8
1962	91.0	8.2	.8
1963	88.6	10.5	.9
1964	89.0	10.2	.8
1965	88.0	11.3	.7
1966	88.3	10.8	.9
1967	86.8	11.9	1.3
1968	83.2	14.8	2.0
1969	84.8	13.2	2.0
1970	80.5	17.3	2.2
1971	79.8	18.3	1.9
1972	76.7	20.5	2.8

Source of Data: Data provided by Mrs. Dortha L. Morrison, Assistant Executive Director, State Scholarship and Loan Commission, August 19, 1970, and the most recent "Comparative Data" reports from the Commission.

Why has the percentage of state scholars attending private colleges declined? Percentages alone are useful but deceptive. The total number of state scholars attending independent institutions continues to increase, often dramatically, while the independent college share of the total decreased. Some of the most selective private colleges and universities are more selective in admissions than the State Scholarship Program. That is they reject for admission, with increasing reluctance, winners of State Scholarships. Another possible cause of this decline is the steadily increasing "tuition gap", or more accurately the "total cost gap" between the cost of attending a private institution versus a campus of the University of California or the California State University and Colleges. This trend continues even though the maximum amount of the scholarship award has been increased on a number of occasions over the years from \$600 in the program's first year to \$2,000 during the current year, which will increase to a maximum award of \$2,200 during 1973-74.

Another factor which also affects this decline in the percentage of scholarship winners attending independent institutions has been the growth of, and even the creating of, new campuses of the University of California since the program's inception in 1955. Another factor has been the increasing quality and academic reputation particularly of some campuses of the California State University and Colleges.

Table 20 shows this trend as it lists in descending order the ten institutions which enrolled the most state scholarship winners each year. This table must be interpreted with great caution since most of the changes in the ranking of institutions over time are a result of relative growth rates by various colleges and universities, public and private, combined with other factors.

During the first year of the Scholarship Program, 1956-57, seven out of the "top ten" were independent colleges and universities, whereas in the current year 1972-73 the situation is exactly reversed with seven of the "top ten" being campuses of the University of California. Only UC-San Francisco and UC-Riverside are not included; and only the University of Southern California, Stanford University, and the University of Santa Clara among the privates remain in the "top ten".

To focus on the ten institutions which receive the most state scholarship winners also distorts the focus and impact of the program, both on students and the State's institutions, even though these ten institutions received 11,404 of the 23,028 awards this current year. In order to provide the complete picture, at least for the present 1972-73 academic year, Appendix C at the end of this report lists the total number of awards, average amount of awards, and the total amount of scholarship awards received by each California college and university over the past four years. When referring to this appendix, the relative size of each institution must be kept in mind. This appendix might be compared to the undergraduate enrollment listed in Table 16 in Chapter II to obtain some appreciation for the total impact of the State Scholarship Program of the smaller institutions.

TABLE 20

TEN INSTITUTIONS WITH THE LARGEST TOTAL OF STATE
SCHOLARSHIP WINNERS, 1956-57 THROUGH 1972-73

1956-57		1957-58		1958-59		1959-60	
Stanford	110	Berkeley	211	Stanford	311	Berkeley	423
Berkeley	102	Stanford	197	Berkeley	303	Stanford	384
USC	46	USC	88	UCLA	127	UCLA	176
UCLA	32	Pomona	78	Pomona	120	USC	172
Pomona	30	Occi.	75	USC	120	Occi.	163
Cal Tech	29	UCLA	74	Occi.	112	Pomona	152
Occi.	25	Cal Tech	64	Cal Tech	85	Cal Tech	90
Loyola	19	Redlands	41	Loyola	67	St. Clara	90
San Jose	17	St. Clara	40	St. Clara	64	Loyola	85
St. Clara	15	Loyola	39	Redlands	62	Redlands	73
Total Awards	599		1,280		1,920		2,560

1960-61		1961-62		1962-63		1963-64	
Berkeley	402	Berkeley	486	Berkeley	491	Berkeley	616
Stanford	365	Stanford	410	Stanford	470	Stanford	462
USC	181	UCLA	221	USC	276	USC	333
Occi.	178	Occi.	216	UCLA	269	UCLA	318
UCLA	169	USC	213	Occi.	253	Occi.	293
Pomona	152	Pomona	168	Pomona	167	St. Clara	199
Cal Tech	105	Cal Tech	100	St. Clara	161	Pomona	183
Loyola	84	UC-SB	95	UC-SB	130	UC-SB	156
St. Clara	84	Loyola	93	Loyola	121	Loyola	148
Redlands	73	St. Clara	90	Redlands	108	Redlands	119
Riverside	73						
Total Awards	2,560		3,200		3,840		4,480

TABLE 20 (CONTINUED)

1964-65		1965-66		1966-67		1967-68	
Berkeley	687	Berkeley	587	Berkeley	595	Berkeley	711
Stanford	477	Stanford	465	UCLA	487	UCLA	548
USC	411	UCLA	364	USC	476	USC	505
UCLA	364	USC	411	Stanford	467	Stanford	502
Occi.	301	St. Clara	307	St. Clara	370	St. Clara	406
St. Clara	272	Occi.	261	Occi.	294	UC-SB	305
Pomona	207	UC-SB	189	USF	270	USF	304
UC-SB	195	Pomona	182	UC-SB	253	Occi.	301
UC-Davis	155	USF	177	UC-Davis	248	UC-Davis	301
Loyola	153	Loyola	139	Pomona	196	Pomona	195
Total							
Awards	5,120		5,120		6,027		6,883
1968-69		1969-70		1970-71		1971-72	
Berkeley	979	Berkeley	1,142	Berkeley	1,463	Berkeley	1,832
UCLA	814	UCLA	1,078	UCLA	1,198	UCLA	1,356
USC	628	USC	875	USC	1,086	USC	1,415
Stanford	595	UC-Davis	780	UC-SB	908	UC-SB	1,072
UC-Davis	585	UC-SB	755	UC-Davis	880	UC-Davis	1,016
UC-SB	527	Stanford	714	Stanford	774	Stanford	902
St. Clara	508	St. Clara	647	St. Clara	725	St. Clara	795
USF	426	USF	497	USF	531	UC-St.Cruz	575
Occi.	373	Occi.	420	UC-S.Diego	431	UC-Irvine	567
Loyola	274	UOP	371	UC-St.Cruz	426	USF	544
Total							
Awards	10,467		13,514		15,880		20,154
1972-73							
Berkeley	2,002	Source of Data: Data compiled from <u>Biennial Reports</u> and "Comparative Data" reports, California State Scholarship and Loan Commission, Sacramento, California.					
UCLA	1,767						
USC	1,621						
UC-Davis	1,220						
UC-SB	1,064						
Stanford	976						
St. Clara	833						
UC-Irvine	675						
UC-St.Cruz	647						
UC-SanDiego	599						
Total							
Awards	23,028						

Diversion of Students and Dollars

The three original intended purposes for the State Scholarship Program were: 1) to save taxpayers money by diverting students to independent institutions; 2) to provide indirect aid to private colleges and universities; and 3) to award direct aid to able and needy students. As early as 1962, the Scholarship Program's Executive Director, Arthur S. Marmaduke, stated that the first purpose had, temporarily, begun to become a less visible purpose. "What remained was indirect aid to colleges, principally private, and aid to students".²⁴ Certainly many legislators, though not all by any means, regarded the Scholarship Program as indirect state assistance to private colleges. Over the years as a greater and greater percentage of the scholarship recipients have chosen to attend public institutions, the "third stage" of the rocket, i.e. aid directly to students, has become increasingly important.

In 1968, L. Winchester Jones, the former Dean of Admissions and Financial Aid at Cal Tech conducted a survey of college presidents and state officials to determine the impact of the Scholarship Program on the State's independent institutions. Dean Jones found that for most institutions the Program had been "a very important factor" responsible for increases in enrollment. Furthermore, the Program played "an important part" in permitting a greater "mix" in social-economic backgrounds of students enrolled and, at the same time, helped increase the quality of the student body.²⁵

Studies in Illinois by Joseph D. Boyd, the Executive Director of the Illinois State Scholarship Commission, have clearly demonstrated that the Illinois Scholarships and Grants have been effective in "diverting" Illinois students from low tuition public institutions to that State's many private colleges and universities.

During 1968 the California State Scholarship and Loan Commission conducted a survey of that year's new scholarship winners attending independent colleges and universities. The results of this survey are presented in the following Table 21

TABLE 21

QUESTIONNAIRE RESULTS OF NEW STATE SCHOLARSHIP WINNERS ATTENDING INDEPENDENT COLLEGES AND UNIVERSITIES, 1968 ²⁶

Questionnaires Mailed: 2562

Questionnaires Returned: 2490

Response Rate: 93.5%

TABLE 21 (CONTINUED)

Three Questions Which Were Asked:

1. Had you not received a State Scholarship would you have attended an independent college?

Yes: 890 No: 1,600

2. If yes, is it because you received other financial assistance?

Yes: 604 No: 286

3. If no, where would you have attended?

University of California:	464
California State College:	544
Community College:	368
Not Attended:	18
Other:	103
Don't Know:	103

In summary, 2,204 of the 2,490 students who responded, or 88%, indicated their decision to attend an independent college was the result of either a State Scholarship or other financial assistance through an institution or outside source.

One additional comment needs to be made about diversion of students. If one of the purposes of the State Scholarship Program was, or still is, to save taxpayers money by encouraging students to attend an independent college or university rather than a campus of the University of California or the California State University and Colleges, then this will be accomplished so long as the cost of the scholarship per student is less than the cost of instructing the student at a public four-year institution. With the maximum scholarship award of \$2,000, going up to \$2,200 during 1973-74, this sum could exceed the cost, to the taxpayers, of educating the same students. But the average scholarship award for 1972-73 is only \$1,005.

Diversion of funds as well as students is a complex matter. When enrollments in the public sectors were overflowing to the extent of justifying entirely new campuses and expensive new facilities, the economic arguments favoring the diversion of students to independent institutions were quite strong. Now that all of higher education, public and private, is experiencing a leveling-off of enrollment growth, the economic need, from the taxpayer's point of view, to divert students from the public and to the private institutions becomes less strong. If, however, private institutions would be forced to close, this, in turn, would place another increased economic burden on the State and the State's taxpayers.

State Graduate Fellowship Program

Compared to undergraduate State Scholarship Programs, the more recent State Fellowship Program has had less impact on the State's private colleges and universities. Most of the independent institutions do not have large graduate programs, and many do not have any.

The State Graduate Fellowship Program was established in 1965 with the support of all segments of higher education in the State, but it was not funded until 1967. Like the long defunct State Agricultural Scholarships, established in 1959 and then terminated in 1963, the Graduate Fellowship Program came into being to serve a presumed and specific manpower need in California. In the case of the former, to serve the large agricultural interests in the State, and in the case of the State Graduate Fellowship Program, the need for college level teachers.

The following Tables 22 and 23 show the distribution of the State Graduate Fellowships and the Fellowship dollars among the three appropriate segments of California Higher Education during the first four years the Fellowship Program was actually funded. As can be seen, the percentage of Fellowship winners attending independent institutions declined from 59.9% in 1967-68 to 46.6% in 1970-71 while the amount of dollars declined from 90.4% to 79.4% of the total over the same time span.

TABLE 22
DISTRIBUTION OF STATE GRADUATE FELLOWSHIPS
(AND PERCENT) BY SEGMENT

	1967	1968	1969	1970
Independent Colleges	169 (59.9)	433 (55.2)	431 (54.1)	437 (46.6)
Univ. of California	88 (32.2)	268 (34.1)	286 (35.9)	395 (42.1)
State Colleges	25 (8.9)	84 (10.0)	80 (10.0)	106 (11.3)
Totals	282 (100.0)	785 (100.0)	797 (100.0)	938 (100.0)

Source of Data: Data compiled from Biennial Reports, and other data provided by the California State Scholarship and Load Commission.

TABLE 23
DISTRIBUTION OF STATE FELLOWSHIP DOLLARS
(AND PERCENT) BY SEGMENT

	1967	1968	1969	1970
Independent Colleges	\$261,227 (90.4)	\$705,978 (88.2)	\$777,500 (88.3)	\$811,828 (79.4)
Univ. of California	24,205 (8.3)	84,289 (10.5)	92,421 (10.5)	194,316 (19.0)
State Colleges	3,568 (1.3)	9,673 (1.3)	10,617 (1.2)	16,103 (2.6)
Totals	\$289,000 (100.0)	\$799,940 (100.0)	\$880,538 (100.0)	\$1,022,247 (100.0)

Source of Data: Data compiled from Biennial Reports, and other data provided by the California State Scholarship and Loan Commission.

College Opportunity Grant Programs

As a program of providing direct assistance to exceptionally able students, State Scholarships achieve the commendable, and occasionally difficult, purpose of rewarding and encouraging excellence. Most observers would agree that on that basis alone the program deserves expansion and continuation. Even so, other educational needs remain to be met.

In 1967, the State Scholarship and Loan Commission proposed that an additional program be devised which would provide financial assistance to economically disadvantaged students with academic potential. In keeping with the existing public policy to provide all students with an equal opportunity to enter post-high school education, the Legislature in 1968 passed A.B. 765, introduced by Assemblyman Bear, which created the College Opportunity Grant Program. Unlike the State Scholarship Program, the College Opportunity Grant (COG) serves the equally commendable purpose of redressing inequity of educational opportunity. All students in the COG Program are "students who generally, though not exclusively, are minority and come from low income families; and who are not necessarily able to obtain scholarships by the use of conventional selection methods".

During the first two years of the program, 1969 through 1971, the vast majority of the COG recipients attended Community Colleges. A change in the program in 1971 permitted COG recipients to attend any institution, public or private, to which they could gain admission. The result of this change has been a significant increase in the number of COG recipients attending four-year institutions. These changes in distribution among the segments are demonstrated in the following Table 24.

TABLE 24

COLLEGE OPPORTUNITY GRANT PROGRAM COMPARATIVE DATA,
1969-70 THROUGH 1972-73

TYPE OF INSTITUTION ATTENDED—PERCENTAGE OF TOTAL GROUP

Type	1969	1970	1971	1972
Community College	94.20%	85.12%	58.88%	43.19%
State Univ. and Colleges	3.10%	6.98%	20.55%	26.76%
Univ. of California	1.10%	3.72%	11.16%	17.61%
Independent Colleges	1.60%	4.18%	9.41%	12.44%
Total No. of Grants:	1,000	1,720	2,293	3,811

FUNDS BY TYPE OF INSTITUTION ATTENDED—PERCENTAGE OF TOTAL DOLLARS

Type	1969	1970	1971	1972
Community College	92%	95%	50%	34%
State Univ. and Colleges	3%	5%	18%	23%
Univ. of California	1%	1%	13%	20%
Independent Colleges	4%	4%	19%	23%

DISTRIBUTION OF FUNDS BY TYPE OF INSTITUTION ATTENDED

Type	1969	1970	1971	1972
Community College	\$869,300	\$1,256,400	\$1,186,511	\$1,455,735
State Univ. and Colleges	30,649	119,301	426,376	1,006,502
Univ. of California	12,088	86,410	292,448	845,572
Independent Colleges	36,859	182,910	455,089	994,122
Total	\$948,896	\$1,645,021	\$2,360,424	\$4,301,931

Source of Data: Data compiled from comparative data reports for the COG Program, supplied by Arthur S. Marmaduke, Director of State Scholarship and Loan Commission, September 28, 1972.

During the first two years of the COG Program, ten community colleges received the ten greatest numbers of COG recipients. During 1971-72, six community colleges, two state colleges, and two campuses of the University of California received the ten most COG winners. During the current year, 1972-73, three community colleges, four campuses of the State University of Colleges, and three campuses of the University of California are the "top ten". As yet, no single independent college or university has approached any public institution in terms of the largest number of COG winners enrolled. But the trend is changing dramatically in the independent institutions. The following Table 25 lists those ten independent colleges and universities which are enrolling the greatest number of COG recipients during this current year, as well as the number they enrolled during the first three years of the program. Appendix D of this report lists all institutions and the number of COG recipients at each, the average award, and the total awards per institution from 1970-71 through 1972-73.

TABLE 25

THE TEN INDEPENDENT INSTITUTIONS ENROLLING THE GREATEST NUMBER
OF COLLEGE OPPORTUNITY GRANT RECIPIENTS,
1969-70 THROUGH 1972-73

Institutions	No. of Grants by Year			
	1969	1970	1971	1972
Univ. of So. California	2	8	15	54
Occidental College	-	4	15	29
Pomona College	-	3	16	29
Stanford University	-	2	8	27
Pitzer College	1	2	12	24
Univ. of the Pacific	-	1	9	24
Univ. of Redlands	1	3	6	22
Univ. of Santa Clara	2	6	12	22
Pepperdine University	-	3	11	19
Loyola University	-	1	3	18

Source of Data: Comparative reports for the Fall of 1972 of the College Opportunity Grant Program, supplied by Arthur S. Marmaduke, September 28, 1972.

The average amount of the grants has increased from \$956 in 1970 to \$1,128 this current year. The average COG at the above independent institutions this year is approximately \$2,149, ranging from a low average grant of \$1,444 at Loyola University to a high average of \$2,606 at Occidental College. Because of the low family incomes of these students, the colleges

frequently must supplement the COG grant with their own funds.

Contracts with Medical Schools

This last example of a "present practice" by which the State of California assists independent colleges and universities is also the most recent. During 1971, the Governor signed into law Senate Bill 1284, introduced by Senator Donald Grunsky of Watsonville, which authorized the State Scholarship and Loan Commission "to enter into contracts with private colleges and universities maintaining medical schools. . . for the purpose of inducing them to increase enrollment".²⁷

The bill authorized the Commission "to contract with non-state-supported" medical schools for twelve thousand dollars (\$12,000) for each medical student enrolled up to the total enrollment above the enrollment of the base year, 1970-71. This State grant is reduced by any federal funds granted per medical student enrolled during the same years.

California's three independent medical schools are those of Stanford University, the University of Southern California and Loma Linda University. The one "string" attached to this contract program is that each medical school must have "an affirmative action program approved by the State Fair Employment Practice Commission for equitable recruitment of instructors and medical students".

This new program, now in the Education Code as "Contracts for Study of Medicine", could well trace its origins to another Legislative Committee. During 1966 the Assembly Interim Committee on Ways and Means conducted and issued a report on The Costs of Medical Education. Alfred W. Baxter, then president of the consulting firm of Baxter, McDonald and Company served as a "contract consultant" for this report. In this report, the question was formally asked of the Office of Legislative Council: "Are there any serious constitutional problems which would be raised by legislation which would authorize the State to contract with privately owned medical school. . . (to) increase its facilities. . . (if) the State would pay the cost of the increased facilities and additional expenses incurred?" The formal response by Office of Legislative Council noted that such legislation "would probably be held to violate Article IX, Section 8 of the California Constitution".²⁸

Through his work on this report, Baxter became particularly concerned about the constitutional prohibition of state assistance to non-public medical schools. Baxter took positive action which ultimately, albeit indirectly, led to the recommendation of the Constitutional Revision Commission to delete the offending prohibition from the existing constitution.

One response to Baxter's concern appeared in the report of the former Joint Committee on Higher Education entitled The Academic State. This report recommended a change in the state constitution to allow at least a

consideration of alternatives such as "the partial public support of expanded private medical schools or of new combinations of public and private institutions in addition to or instead of total public support of new University medical schools".²⁹

Since 1961-62, the State of Florida has paid the University of Miami Medical School, an entirely private institution, an annual stipend, starting with \$3,000 in 1961, for each additional Florida medical student enrolled. As was the case with Florida, the extraordinarily high costs of professional education, particularly medical education, can eventually force a legislature to consider subsidies to private higher education, particularly private medical education.

The AICCU is of the opinion that the current plan of "contracts for study of medicine" is constitutional even with the existing wording of the prohibition in the California Constitution. The assumption is that the Scholarship and Loan Commission can "enter into contracts. . . for the purpose of inducing them (the State's three independent medical schools) to increase enrollment" without violating the constitutional prohibition that "no public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools".³⁰

More precisely the assumption is that a "contract" for specified services is not the same thing as "support" of the institution. Since this program is of such obvious merit and public benefit, it's extremely unlikely that its constitutionality will ever be contested in the courts. Perhaps a less worthy or more controversial program might be so contested. The constitutionality of this current program suggests that the Legislature may wish to consider other options of State assistance to independent colleges and universities.

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2. Education Code, Article I, Sections 24201 and 24215 (1957).
3. Progress Report of the Subcommittee on Issuance of Degrees, of the Assembly Interim Committee on Education, Vol. 10, No. 22 (Sacramento: Assembly of the State of California, 1957), pp. 20-61.
4. Ibid, p. 8.
5. Statutes of California, 1959 Regular Session, Chapter 2, p. 1495.
6. Education Code, Section 29009 (1967).
7. The Chartering of Private Institutions of Higher Education in California, A Position Paper on Division 21 of the Education Code, prepared by the Staff of the Coordinating Council for Higher Education in Response to Senate Concurrent Resolution 148, October 4, 1971, p. I-1.
8. Ibid, p. I-2. (See Appendix B of the Council report for all of "Division 21, Private Educational Institutions".)
9. Ibid, p. III-4.
10. Statutes of California, 1852, p. 19.
11. Statutes and Amendments to the Code, 1915, p. LVII.
12. California Code of Civil Procedure, Section 1238, Subdivision 2.
13. This information on eminent domain was obtained through personal interviews with the late President Robert Burns of the University of the Pacific, April 23, 1970, and Dr. Carl Franklin, Vice President of USC, August 20, 1969, as well as through questionnaires returned to the writer by USC, Pasadena and Whittier Colleges, and the Northrop Institute of Technology during June and July of 1970.
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15. A Restudy of the Needs of California in Higher Education. Prepared for the Liaison Committee of the Regents of the University and the California State Board of Education (Sacramento: State Department of Education, 1955), p. 5.
16. Coons, op. cit., pp. 167-68. Permission to quote extensively from the late Dr. Coons' book was graciously provided by The Ward Ritchie Press of Los Angeles, August 24, 1970.

17. Letter from Evelle J. Younger, Attorney General, State of California, to Dr. Owen Albert Knorr, Director, Coordinating Council for Higher Education, March 14, 1972.
18. Ibid.
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20. Monroe E. Deutsch, Aubrey A. Douglass, and George D. Strayer, A Report of a Survey of the Needs of California in Higher Education (Sacramento: State Department of Education (1948), p. 110 (Emphasis added).
21. A Restudy of the Needs of California in Higher Education, prepared for the Liaison Committee of the Regents of the University and the State Board of Education (Sacramento: State Department of Education, 1955), p. 344.
22. Coons, op. cit., p.26.
23. First Biennial Report, 1956 to 1958, State Scholarships Commission, Sacramento, California, p. 18.
24. Arthur S. Marmaduke, Mimeographed speech, "The States and Student Assistance", May 1962.
25. S. Winchester Jones, "The Impact of the California State Scholarship and Loan Commission Program on the Independent Colleges and Universities of California". (1968)
26. Data provided by Arthur S. Marmaduke, Director, State Scholarship and Loan Commission, September 28, 1972.
27. Senate Bill 1284.
28. The Costs of Medical Education, Assembly Interim Committee on Ways and Means, California Legislature, November 20, 1966, p. 16.
29. The Academic State: A Progress Report to the Legislature on Tuition and Other Matters Pertaining to Higher Education, by the Joint Committee on Higher Education, California Legislature, Sacramento (1968), p. 49.
30. Constitution of California, Article IX, Section 8, adopted by the people, May 7, 1879.

CHAPTER IV

PRACTICES AND PROPOSALS IN OTHER STATES

California cannot be directly compared to other states when considering implications of higher education, public and private. As already mentioned, only eight other states have a higher ratio of enrollment in public institutions to private. Even so, it is both timely and appropriate to survey the current policies and practices, as well as proposals, in all other states. This survey becomes particularly important in determining how other states are attempting to utilize the resources of their independent colleges and universities.

A Brief History of State Assistance to Private Institutions

How quickly higher education forgets its past! The apparent "newness" of current proposals for state assistance to independent colleges and universities is an illustration. State assistance through direct and indirect forms (along with a grossly underpaid faculty) was largely responsible for the survival of all colleges founded during the American colonial period and countless others founded since the Revolution. Proclamations of the virtues of independence from the state by today's institutions only serve to perpetuate historical amnesia.

The colonists coming from England held education to be a sacred trust and in the best interests of their church and their new communities. The relationships between the church and the colonial governments were very close. These relationships established the American precedent for support of higher education; namely that higher education is a public and state concern, authorized and encouraged by the people through their government, and publicly supported by tax exemptions and direct funds from tax revenues. Furthermore, the support of the early colleges before and after the Revolution was largely based upon the notions of Christian charity and stewardship: support of the young and worthy by the old and wealthy.

The colonial governments assisted their colleges in at least eight different ways: 1) by granting charters with privileges to church sponsored schools and colleges; 2) by freeing professors and students from military duty (the II-S deferment of the time?) and jury duty; 3) by granting permanent money endowments by statute law; 4) by exempting the persons and property of professors and students from taxation; 5) by granting land endowments; 6) by making special appropriations from funds raised by taxation; 7) by granting benefit of lotteries; and 8) by special gifts of buildings and sites. All nine colonial colleges benefited from at least one of these forms of assistance. Harvard profited by the first six, and Yale by at least four different forms.¹

In Post-Revolutionary years the dichotomy between church and state dictated by the new Federal Constitution slowly, and in some places painfully, became clear. There were a number of attempts to make the existing "private" colleges into new "state" universities of the "revolutionary type",

but all of these efforts failed. These attempts culminated in the famous Dartmouth College Case of 1816-19 which affirmed the inviolate "private" corporate status of a college (and other institutions as well) even though chartered by the state.

The first half of the nineteenth century saw a stream of college founding, a result of westward expansion and the religious "Second Awakening". The stream became a torrent by mid-century. Different denominations fiercely competed for all or part of the "seminary grants" awarded by Congress to each new state. By the end of the Civil War the states discovered a far more popular instrument for educational largess--the state university and land-grant college. Legislatures found a welcome "out" in awarding support to a new state university rather than favoring one denomination or college. Each denomination simply found that it had more enemies than friends, and unlike the older colleges in the East, the hundreds of new colleges in the West did not have strong alumni support in their legislatures. The legislatures in the West also found that they were favoring a much more popular form of higher education than the narrowly classical curriculum of the colleges which attempted, however badly, to duplicate the crimson and blue of the east.

More Recent State Assistance

Despite the Dartmouth College Case and the emergence of state-supported public higher education, direct state assistance to independent colleges and universities has continued in a variety of forms from the American Revolution up to the present day.

Dartmouth College, whose very name is synonymous with independence from the state, received direct grants from the State of New Hampshire well into the twentieth century, with annual grants totaling \$395,000 between 1893 and 1921. Dartmouth today still owns a portion of Vermont, which remains from the original 25,000 acres given to Dartmouth in 1785 by the new State of Vermont.² Today states seldom show such concern about their neighbors.

The State of Pennsylvania provided a variety of forms of state assistance to non-sectarian and to denominational colleges almost continuously until 1921. A court decision in 1921 cut off state support of the denominational colleges.

Even after the Revolution and the Dartmouth College Case, Massachusetts continued to directly assist its independent institutions. Between 1859 and 1874, Massachusetts appropriated at least \$235,000 to Harvard. All in all, Harvard received over a half-million dollars and 46,000 acres of land from the Commonwealth of Massachusetts prior to 1874. The Commonwealth also made direct appropriation to Amherst, Williams, and Bowdoin Colleges in the late 1800's, even though the latter institutions happened to be located in Maine! As recently as 1829, the Massachusetts Legislature appropriated an additional \$75,000 to Williams College. Regarding that windfall from the state, Mark Hopkins (the other Mark Hopkins), then president of Williams said; "But for an unexpected gift by the state. . . I do not see how the college would have got on".³

Independent colleges and universities dominated higher education in New York for at least two centuries. Columbia, Union, Hamilton, Geneva, Elmira, Rochester, Cornell and the City University of New York all received direct assistance from the state. For example, Hamilton received \$50,000 in 1812 from the sale of its land grants from the state, \$40,000 in 1814 from a state-supported lottery, and \$30,000 in outright appropriations between 1836 and 1846. Lotteries have been a popular method of support of education in New York State since the 1700's, and through state supported lotteries, land grants, and direct appropriation, Union College received at least \$358,111 and Columbia College obtained \$140,130.⁴

These are but a few examples of how the states supported independent colleges and universities in America during the seventeenth, eighteenth and nineteenth centuries. The essential point here is that states have always been responsible for and responsive to higher education, public and private. Over the years these same states have utilized a variety of means to assist both students and the institutions which they attend.

Current Practices and Proposals in All Other States

The following Table 26 is a visual summary of "Current Methods of State Support of Private Higher Education". At least thirty-four of the fifty states have some form of student assistance program which can be, or must be, used at private colleges or universities. This tabulation in Table 26 and the following state-by-state summaries exclude guaranteed student loan programs, which many states maintain. The Western Interstate Commission for Higher Education (WICHE), the Southern Regional Education Board (SREB), and The New England Board of Higher Education (NEBHE) all maintain contract programs for out-of-state student enrollments with participating states. Furthermore, all states have a number of methods of granting tax exemption to private institutions, so these forms of assistance will not be mentioned, unless noteworthy and distinctive.

A wide variety of publications, reports, and other sources of data were used for this chapter. The writer contacted the directors of a number of programs in several states including New York, Pennsylvania, New Jersey, and Connecticut. The writer is particularly indebted to Richard S. Lewis, Associate in Higher Education with the Connecticut Commission of Higher Education, and his excellent recent report. The writer also appreciates the permission of Nancy M. Berve, Editor and Associate Director of the Education Commission of the States (ECS), to include as another source of data Appendix E at the end of this report, the excellent ECS summary of "State Support of Private Higher Education".

Sources for this chapter and the following Table 26 include the following:

1. Richard S. Lewis, State Relationships with Independent Institutions of Higher Education and Assistance to Students Attending Independent Institutions of Higher Education, A Background Paper Prepared for the Education Committee of the Connecticut General Assembly by the Staff of the Commission for Higher Education, February 1972.

2. A Survey of State Programs of Aid to Independent Colleges and Universities and Their Students, Compiled by Elden T. Smith, National Council of Independent Colleges and Universities, Washington, D. C., October, 1971.
3. "State Support of Private Higher Education: Programs in Operation or Approved as of January 1972", in Higher Education in the States, published by the Education Commission of the States, Volume 3, Number 1, January-February 1972.

TABLE 26

CURRENT PRACTICES OF STATE ASSISTANCE TO PRIVATE HIGHER EDUCATION

	<u>Contracts</u>	<u>Direct Institutional Aid</u>	<u>Programs for Disadvantaged/Minorities</u>	<u>Facilities Assistance/Authorities</u>	<u>Medical/Dental Nursing</u>	<u>Student Assistance</u>	<u>Other</u>
Alabama	.	*	.	*	.	.	.
Alaska	.	*	.	.	.	*	.
Arizona	.	.	.	.	.	.	.
Arkansas	.	.	.	.	.	.	.
California	*	.	*	.	*	*	*
Colorado	.	.	.	.	.	.	.
Connecticut	*	*	*	*	.	*	.
Delaware	.	.	.	.	.	*	.
Florida	*	.	.	.	*	*	*
Georgia	.	.	.	.	.	*	.
Hawaii	.	.	.	.	.	.	*
Idaho	.	.	.	.	.	.	.
Illinois	.	*	.	*	*	*	.
Indiana	.	.	.	.	.	*	*
Iowa	.	.	*	.	*	*	.
Kansas	.	.	.	.	*	*	.
Kentucky	.	.	*	.	.	*	.
Louisiana	.	.	.	.	.	.	.
Maine	.	.	.	.	.	*	.
Maryland	.	*	.	*	*	*	*
Massachusetts	.	.	.	*	*	*	.
Michigan	*	.	.	*	*	*	*
Minnesota	*	*	*	*	*	*	*
Mississippi	.	.	.	.	.	.	.
Missouri	.	.	.	.	.	.	.
Montana	.	.	.	.	.	*	.
Nebraska	.	.	.	.	.	*	.

TABLE 26 (CONTD)

	Contracts	Direct Institutional Aid	Programs for Disadvantaged/ Minorities	Facilities Assistance/ Authorities	Medical/Dental Nursing	Student Assistance	Other
Nevada	-	-	-	-	-	-	-
New Hampshire	-	-	-	*	-	-	-
New Jersey	*	*	*	*	-	*	-
New Mexico	-	-	-	-	-	-	-
New York	*	*	*	*	*	*	*
North Carolina	*	*	-	-	*	*	-
North Dakota	-	-	-	-	-	-	-
Ohio	-	*	-	*	*	*	-
Oklahoma	-	-	-	-	-	*	-
Oregon	*	*	-	-	-	*	-
Pennsylvania	-	*	-	*	*	*	-
Rhode Island	-	-	-	-	*	*	-
South Carolina	*	*	-	*	-	*	*
South Dakota	-	-	-	-	-	-	-
Tennessee	-	-	-	-	-	*	-
Texas	*	-	-	-	*	*	-
Utah	-	-	-	-	-	-	-
Vermont	*	-	-	*	*	*	-
Virginia	-	-	-	-	*	*	*
Washington	-	-	-	-	-	*	*
West Virginia	-	-	-	-	-	*	-
Wisconsin	*	*	*	-	*	*	-
Wyoming	-	-	-	-	-	-	-
Total Number	13	14	8	14	18	34	11

The following state-by-state descriptions are intended to put in narrative form the data from Table 26. More importantly, these state-by-state descriptions include various proposals known to the writer, since these proposals do not appear either in Table 26 or in Appendix "D" at the end of this report.

Alabama: Funds (\$662,617 in 1970) which can be used for facilities have been appropriated to four private institutions for a number of years. For 1971 through 1973, Tuskegee Institute is to receive \$75,000 per year; Walker Junior College is to receive \$200,000 per year; and Marion Institute is to also receive \$200,000 per year. The state contracts through SREB to provide out-of-state graduate and professional instruction. In 1969-70, \$129,674 (or 78% of the total

appropriation) went to private institutions. A scholarship program for all Alabama students attending private institutions has been proposed to equal an amount which is 25% of the cost per student at state supported institutions.

Alaska: During 1970 the legislature authorized the Higher Education Commission to enter into contractual arrangements with the two accredited private institutions in the state. Alaska also made a direct appropriation (of questionable constitutionality) to the financially struggling Alaska Methodist University. Career and scholarship grants and loans are available to residents and can be used at any accredited institution, in-state or out-of-state. Tuition Equalization Grants are given to eligible students to use at any Alaskan college or university.

Arizona: This state has no scholarship or grant program, but does participate in the WICHE program for out-of-state student places. \$108,000 was appropriated to independent institutions in 1970-71. A proposal (which would grant a private Arizona college of the student's choice an amount equal to the state cost per student in state colleges) has been submitted to the legislature for the past two years. No action has been taken on the proposal.

Arkansas: Contractual arrangements are made for student places and student aid in out-of-state institutions through SREB. During 1969-70, \$14,400 went to independent institutions.

California: (See Chapter III of this report, and Appendix E.)

Colorado: Through WICHE the state contracts for student places and \$26,400 was appropriated to independent institutions in 1970-71. Occasional contractual arrangements are made with independent colleges and universities for research, studies, and special classes. Scholarships or grants to students attending private institutions have been ruled in violation of the Colorado constitution.

Connecticut: During 1969 the state passed a bill for the "promotion of additional student spaces in independent Connecticut colleges". The state paid the institution 125% of the current tuition for each additional Connecticut student enrolled with the provision that 80% of the funds received by the institution would be awarded as student aid. During 1970, \$894,551 was awarded to eight private Connecticut colleges and universities which had an aggregate increase of 464 Connecticut students. In the Fall of 1971, however, when the total enrollment decreased in the private sector, only six institutions were able to add 167 Connecticut students to qualify for \$332,874 in assistance. This unforeseen decrease in enrollments prompted new legislation which will award state funds for each Connecticut student regardless of whether or not they represent an expanded enrollment to the state. So what began as a program to encourage increases in enrollment has changed to a program of direct state assistance to Connecticut independent colleges to help them maintain existing enrollments. The revised program provides a grant

per student "not to exceed an amount equal to one-half of the difference between the average cost to the state for educating full-time undergraduate students in public two and four year programs and the tuition charges made to students in those public institutions".

Connecticut also has three programs of student assistance; a State Scholarship Program, a program of awards to Children of Deceased or Disabled Veterans, and the Restricted Educational Achievement Grant Program. Freedom of choice between public and private institutions, in-state and out-of-state, is permitted in the first two programs; whereas the third program is restricted to Connecticut institutions. The state also furnishes capital construction assistance through both long and short-term bonds via The Health and Education Facilities Authority.

Delaware: The State Department of Public Instruction administers a state scholarship program for needy students who are accepted at accredited out-of-state schools, public or private, for programs not available within the state.

Florida: The state contracts through SREB for out-of-state student places in professional education, and during 1969-70 \$274,800 was appropriated to independent institutions. In addition, since 1961 the state has contracted with the private University of Miami to subsidize Florida residents enrolled in the Medical School. A Regents' Scholarship Program was funded at \$900,000 in 1969-70 and \$1,520,000 in 1970-71. During the first year, 57% of the appropriation went to students in independent institutions. This past June, a new scholarship program provided grants up to \$1,200 a year to talented, needy students in both public and private institutions. Only \$360,000 was allocated for 1972-73. There are also Florida Competitive Scholarship Loans for students who agree to work in the state after graduation. During 1971 legislation established a State Board of Independent Colleges to set standards and to license non-public institutions. For several years, Florida's independent colleges have approved legislation which would provide for tuition-equalization between the public and private institutions within the state.

Georgia: During 1971, a program was adopted which provides grants of \$400 per year to all Georgia residents attending independent colleges and universities within the state. Students attending non-public colleges and universities are eligible for Cancellable Scholarship Loans and for Teacher and Medical Scholarship Programs. Each program rewards the student if he or she remains in the state.

Hawaii: The state participates in the WICHE program, and \$39,600 was appropriated to independent institutions in 1970-71. The University of Hawaii is reported to be considering providing financial aid to qualified and needy students desiring to attend a private institution. Savings would be realized because the financial aid costs less than the education of such students at a public institution. The establishment of a Higher Education Assistance Commission is also being considered.

Idaho: The state participates in the WICHE program, and in 1970-71 \$40,934 was appropriated to independent institutions. In 1971 a bill which would have provided aid to independent colleges and universities failed to pass the legislature.

Illinois: Illinois maintains one of the most comprehensive arrays of programs in the country. Furthermore, the balance of enrollments between the public and private sectors is close to the national average. The State's Scholarship and Grant Programs are among the largest in the nation on a dollar per capita basis. In 1967 the State Legislature established a blue-ribbon "Commission to Study Non-Public Higher Education in Illinois" and appropriated a sum of \$250,000 to the Commission to study the role and needs of non-public higher education in the State. A number of the recent programs implemented in Illinois are direct out-comes of the recommendations of this Commission which issued its final report in 1969. The Commission concluded that financial assistance to the private institutions from public funds is "imperative". Evidencing concern over the quality of independent institutions, the Commission said, "If the quality of higher education in Illinois is to be maintained, much less improved, the private institutions must obtain financial assistance immediately".

The recommendations of the Commission were not followed exactly by the legislature, but in 1971 Illinois implemented a program which provides \$5,970,900 for general assistance grants to independent colleges and universities. Direct grants of \$100 are made to each private institution for each full-time enrolled freshman and sophomore who is a recipient of an Illinois State Scholarship or Grant. Grants of \$200 are also made for each full-time enrolled junior or senior who is a resident of the State. In 1969 the legislature quickly acted to create the Illinois Educational Facilities Authority, as recommended by the Commission, to fund construction through the issuance of revenue bonds for all approved non-profit institutions of higher education. The Health Services Education Grants Act in 1970 provided the Board of Higher Education to make grants to non-public health service educational facilities, and \$800,000 was appropriated for this purpose in 1970.

During 1969-70 State Scholarships amounting to \$8,205,000, which was 29% of the total, and State Grants of \$12,067,000, which is 76% of the total, were awarded to students attending independent institutions within the state. Most recently, in 1971, the Illinois Board of Higher Education adopted Phase III of their Master Plan which concerns the establishment of an integrated system of public and private higher education to insure maximum use of resources. A "Collegiate Common Market" to utilize the existing and developing resources of both sectors has been proposed, as well as a "Lincoln State University", to award credit-by-examination, external degrees, and to promote the use of media by all institutions.

Indiana: In Indiana individuals and corporations may claim up to 50% of contributions to higher education as a tax credit. For individuals this tax credit is limited to 20% of adjusted gross income or \$50, whichever is less. More simply, an individual can contribute \$100 to a college and deduct \$50 from his state taxes. The State Scholarship program consists of honorary awards granted on the basis of merit, and monetary awards based on need, which are payable directly to the college. In 1970 a proposal for Tuition-Equalization Grants for highly qualified needy students to attend approved private colleges was passed by the Legislature but was vetoed by the Governor because no amount was specified for funding. It is expected to be redrafted and reintroduced.

Iowa: During 1969 Iowa instituted a Tuition Equalization Program. Grants of up to \$1,000, which averaged about \$870 during 1972-73, are made to private college resident students demonstrating financial need and enrolled in eligible independent colleges within the state. Grants cannot exceed tuition and fees minus average amount that would be paid at the state institutions. Appropriations for this program have increased from \$1,500,000 in 1969-70 to \$8 million for the 1971-73 biennium. For 1972-73, \$4 million is providing grants to about 4,600 Iowans. There were 11,000 applications for these 4,600 awards, and it would have taken \$8.3 million to meet the total need.

Iowa also maintains a Scholarship Program based on need, and in 1969-70, \$131,250, or 50% of the total, went to students attending independent institutions. A State Medical Loan Program provides full tuition for up to three years at either the one private or the one public medical school in the state. The loans are cancellable if the graduate practices general medicine in the State of Iowa.

Kansas: The State Scholarship Program permits 150 new freshman recipients to attend the college of their choice. The maximum award is tuition or \$500, whichever is less, and about 25% of the total appropriation was used at independent institutions. In 1968, \$15,000 was appropriated in support of dental students attending out-of-state institutions.

Kentucky: A program of state scholarships and grants has been approved, but not funded, since 1966. The Kentucky Higher Education Authority provides \$500 per academic year to students with high potential who come from families receiving public assistance. Grants are usable at either public or private institutions, and during 1970-71 about 25% of the total \$172,500 appropriated went to students attending private institutions. In 1970, a legislative proposal for \$2,500,000 for Tuition-Equalization Grants for the 1970-72 biennium was voted down in the Senate Education Committee because of the church-state issues. It is expected the Kentucky Council of Independent Colleges and Universities will reintroduce this or a similar measure during the next legislative session.

Louisiana: The state participates in the SREB program, and appropriations to independent institutions in 1969-70 amounted to \$68,600 of the total. Approximately six \$300 Stonewall Jackson Scholastic Scholarships are awarded each year which can be used at either public or non-public institutions. (Now there's a student aid program!)

Maine: The state contracts through NEBHE for student places at the Vermont Medical College and the Tufts Dental College, and during 1971-72 approximately one-fourth of the total \$100,000 went to the private sector. In 1969, an act which would provide funds for Maine students attending non-public institutions had been referred to the Maine Education Council for study. A constitutional amendment providing for the use of state credit for construction loans to private colleges was turned down in a 1969 referendum.

Maryland: The Maryland constitution has not been interpreted as prohibiting direct state aid to church-related colleges. In 1965, the Maryland legislature appropriated \$6,588,881 to private colleges and universities. Earlier grants in 1962 and 1963 to Hood College, Western Maryland College, St. Joseph's College, and the College of Notre Dame of Maryland prompted a court test of the constitutionality of such grants by the Horace Mann League. (A brief discussion of this court test is included in the section of this report on "The Church-State Issue".) In 1971, Maryland implemented a program of direct grants to independent institutions after the New York model and \$1,915,000 was awarded during 1971-72.

Maryland provides each eligible private institution \$200 for each associate degree and \$500 for each bachelor's degree awarded, except for seminarian and theological degrees. Maryland continues to provide facilities grants, similar to those which sparked the court test, and these grants must be matched by the institutions. The purpose of such grants must be approved in advance, and then authorized by the General Assembly.

The State of Maryland also maintains seven programs of student assistance. Senatorial Scholarships, awarded on the basis of competitive academic examinations, may be used in any approved Maryland institution. The General State Scholarship Program is based on financial need and performance of the Scholastic Aptitude Test, with half of the awards to go to the "ablest of the needy" and the other half to the "neediest of the able". Approximately 40% of the total scholarship dollars of \$1,203,440 went to students attending independent institutions. The state also has Teacher Education Scholarships, Medical Scholarships, Delegate Scholarships, and programs of financial aid to war orphans and children of disabled veterans, plus a program of educational reimbursement for firemen. Maryland has also undertaken to provide additional support of medical education through the University of Maryland and the John Hopkins Medical Schools.

Massachusetts: The Massachusetts Health and Education Facilities Authority finances construction of hospitals and construction of buildings for

private colleges only. The Commonwealth maintains three scholarship programs. During 1969-70, 67% of the total appropriation for general scholarships of \$2 million went to independent colleges. In 1970-71, about 80% of the \$3,500,000 appropriation was used in the independent sector, and for 1971-72 a total of \$8 million was appropriated. More than 3,000 awards will be made during the current academic year, and they can be used throughout the United States. The Dental, Medical, and Nursing Scholarships provide assistance to 600 needy students in public or private in-state or out-of-state institutions, with \$315,000, or 90% of the total, in 1970-71 used in private institutions. Finally, the Massachusetts State Board of Higher Education is proposing a plan wherein the state would pay independent colleges approximately \$1,000 for additional resident students above the number usually accepted.

Michigan: A taxpayer may take credit against his State income tax for contributions to any public or private college in the state, up to one-half of gift amount or 20% of state tax liability or \$100. In addition, a rebate of State gasoline taxes paid by independent colleges and universities is allowed for gasoline uses in college buses. Michigan makes a \$2,400 per capita subsidy grant to each accredited non-public school of dentistry located within the state for each doctor's degree earned by Michigan residents. The Michigan Higher Education Facilities Authority issues tax-exempt bonds for financing the construction of academic facilities of independent colleges. Michigan also provides competitive non-repayable Tuition-Equalization Grants of up to \$800 per year to permit needy students at non-profit colleges and universities, and \$5,200,000 was appropriated for this purpose in 1969-71. The Michigan Scholarship Program can be used for either undergraduate or graduate study, and usable at either public or non-public Michigan institutions, During 1970-71, about \$2,270,000, or 30% of the total appropriation went to independent institutions.

Minnesota: A new law in 1971 authorizes the Minnesota Higher Education Coordinating Council to contract with private colleges for the education of additional Minnesota students and for low-income students. For each state resident in excess of the 1970 enrollment, each four-year college receives up to \$500 and each two-year college up to \$400. The same amount will be allotted for each low income student who receives a state grant-in-aid. For 1971-73, \$2,700,000 was appropriated for this program. Gifts to private colleges are deductible from the Minnesota State income tax. The State Scholarship Program makes awards based on need to state residents who intend to enroll at an approved Minnesota institution, but the award is actually paid to the institution. Approximately 67% of \$300,000 appropriated for this program in 1970-71 went to independent institutions. There are also special scholarship programs for nurses and Indian students which can be used at independent institutions. The 1971 legislature established the State Higher Education Facilities Agency which is authorized to issue tax-exempt bonds for the construction or renovation of physical facilities at independent colleges. There are also some interinstitutional TV projects with limited participation by private colleges.

Mississippi: The state participates in the SREB program, and during 1969-70, 23% of the total appropriation of \$243,200 went to independent out-of-state institutions for student enrollment.

Missouri: The state provides limited property and sales tax exemptions to non-public institutions of higher education. During 1971, a Governor's Commission recommended several programs which would aid students at either public or private institutions: 1) state competitive scholarships for needy students; 2) a tuition-equalization program; 3) contractual arrangements with private schools of medicine and osteopathy, 4) contractual arrangements for educational services; and 5) educational opportunity grants for capable disadvantaged students. During the summer of 1972, the Missouri legislature did pass a bill which will allow tuition subsidies up to \$900 a year to students in private and public institutions. \$105,000 has been appropriated for the program, and a quick court test of its constitutionality is expected.

Montana: The state participates in the WICHE program, and during 1970-71 \$38,400 was appropriated to independent institutions. There are small scholarship programs for High School Honor Students, for War Orphans, and for "Advanced Honor or Merit".

Nebraska: Nebraska, like California, has a constitutional proscription against direct state aid to any non-public schools or colleges. In 1971, the State Investment Council was authorized to provide direct loans to students attending either public or private colleges in the state. During 1972 tuition grants of up to \$500 a year were authorized for Nebraska residents in private colleges in the state. Because of the constitutional prohibition, a court test is expected before the first grants are awarded.

Nevada: Nevada and Wyoming are the two states which contain no private institutions of higher education. The state does participate in the WICHE program, and appropriations of \$47,401 were made to independent institutions in 1970-71.

New Hampshire: A State Scholarship Program was created in 1967 for which students attending independent institutions would be eligible, but the program has yet to be funded. In 1970 the legislature established the New Hampshire Higher Educational and Facilities Authority to issue tax-exempt bonds for facility construction at private institutions.

New Jersey: The New Jersey Scholarship Program, established in 1959, provides awards up to \$500 per year usable at public or private institutions in-state and, to a limited degree, out-of-state. In 1970-71 the appropriation was \$6,890,000 and 17.1% of this amount (\$1,175,000) went to independent institutions. Incentive grants, established in 1960, go to state scholarship holders who attend institutions in New Jersey which charge more than \$500 annual tuition, with a maximum award of \$500. Tuition aid grants, established in 1969, are based on financial need and are awarded to students attending the same institutions as the Incentive grants. Both programs provide 100% of

their awards to independent institutions, with the Incentive Grant Program being funded at \$1,475,000 for 1971-72 and the Tuition Aid Grants (TAG) funded for 1971-72 at \$3,384,000.

Furthermore, County College Assistance Program provides aid to graduates of county colleges who transfer to four-year institutions. In 1970-71, the appropriation for this program was \$511,500 of which \$128,000 (25.6%) went to independent institutions. Lastly, the Educational Opportunity Grant Program created in 1968 provides grants of up to \$1,000 to disadvantaged students, with 10% of the fund usable by out-of-state undergraduates and in-state graduate students. In addition, institutions receive grants for program support and summer programs. For 1971-72, Opportunity Grants have been funded at \$9,748,000 with supplementary educational program grants for \$2,880,000. During 1970-71 about 12% of the appropriation went to independent institutions.

Beside this truly comprehensive, and complex array of student aid programs, New Jersey also maintains the New Jersey Education Facility Authority which loans money from the sale of tax-free bonds. As of January 1, 1970, \$5 million in bonds had been issued for independent institutions.

As if this weren't enough, in late June Governor William T. Cahill signed into law a new \$7 million program of direct aid for New Jersey's fifteen regionally accredited private colleges and universities known as the "Independent Colleges and Universities Utilization Act". This law has as its goals "the development and preservation of a planned and diverse system of higher education" as well as "assuring maximum educational choice by young people regarding college and university by preserving the vitality and quality of independent institutions of higher education in New Jersey". The law provides for direct payments of \$300 to institutions for each New Jersey resident receiving financial aid in excess of \$1,000; and for \$600 for each additional New Jersey undergraduate enrolled. Furthermore, \$175 will be awarded to the institution for each freshman and sophomore, and \$225 for each junior and senior New Jersey undergraduate enrolled "to lower the effective cost to New Jersey students in a manner to be determined by the institution". The bill requires that each student "shall be notified by the institution as to the source of such assistance". In other words, tell them where the money came from!

The law also provides for contracts for specialized graduate and professional programs where this would "reduce or eliminate the need for the state to create or expand such programs at public institutions". The Board of Higher Education is also authorized to provide independent institutions with computer, library and other services which are available at public institutions.

What "strings" are attached to the new New Jersey program? Institutions don't have to expand to receive the appropriate funds if they "in the opinion of the governing board and of the Board of Higher

Education have or shall have attained optimum enrollment". State funds cannot be used for sectarian instruction or facilities, and all funds received from the state must "be maintained in a separate account and not be commingled with other funds of the institution". Additionally, "each institution shall cause an audit of such account and enrollment figures to be made annually by a certified public accountant. . . (which). . . shall be forwarded to the Board of Higher Education". These are "strings" that most institutions would be willing to live with. All that remains beyond this is for the Board to "promulgate rules and adopt policies and make all determinations necessary for the proper administration and enforcement of the provisions of this act". Not an easy or enviable task.

New Mexico: The state participates in the WICHE program, and during 1970-71 appropriated a grand total of \$7,200 to independent institutions.

New York: The current practices and proposals in New York State could be, and perhaps should be, a report unto itself. No other state has such complex ties with its independent institutions and the students who attend them. New York is, in several ways, an anomaly. As early as 1784, the state established the University of the State of New York patterned after the French model as a nonteaching and nondegree granting supervisory institution. The Regents of this "nonuniversality" act as representatives of the state and charter and oversee all colleges and universities in the state, public and private. No other state, at least thus far, has this form of governance over its independent institutions. For example, this Fall the Regents required that all colleges and universities in the state submit plans by October 1st for "the integration of any currently segregated facilities" by the Fall of 1973 and for recruiting more minority-group students and faculty. This unique system of governance, which deserves study, provides a back-drop for a number of other policies and practices that affect independent institutions.

New York, like a number of the states in the east, has long been dominated by independent colleges and universities. In fact, these states for almost centuries relied on these same institutions to provide most of the higher education in the state. Thus, it is not unlikely that New York was one of the first states to provide student scholarships usable at independent institutions and today the state maintains no less than seven student aid programs.

New York instituted its general scholarship program in 1913 by offering 3,000 \$100 scholarships, which was the average full cost of tuition at that time. Since that time the Regents Undergraduate Scholarship Program has grown to 84,266 scholarships during 1971-72 with a maximum award of \$1,000 and requiring an appropriation of \$29.7 million. In 1961 the state added its Scholar Incentive Program, which is non-competitive awards of up to \$600 according to need. During 1971-72 approximately 250,000 students received these awards totaling over \$44.1 million. More recently, the state has

added a program of Equal Educational Opportunity Grants for disadvantaged students. Of the \$44.8 million allocated to this program to increase opportunity for 16,000 students, about \$6.2 million goes to 5,000 students attending independent colleges and universities. In addition, the state provides special scholarship programs for medical, nursing, dental, and osteopathy students; it maintains "war Service Scholarship and Child of Veteran Grants as well as Regent's Fellowships", which are being phased out.

To move from student aid to facilities, the Dormitory Authority of the State of New York has provided funding through tax-exempt bonds for construction at private colleges of residential and attendant facilities since 1955 and academic facilities since 1959. During 1970 the powers of the Dormitory Authority were extended to provide funds to private colleges through loans to finance deferred major maintenance, including remodeling, restoration and modernization of educational buildings. Construction assistance in 1969-70, for example, amounted to \$219 million.

In the area of contracting for services, a program to expand nursing enrollments began in 1966, the same year a program was implemented to encourage increased enrollment in the state's medical and dental schools. The program for nurses provides the institution with from \$300 to \$2,500 per each additional student enrolled, depending on the educational level of the institution. The medical schools receive \$6,000 for each additional student up to 25 per class or 100 per school, and the dental colleges receive a grant of \$3,000 per increased student. During 1971-72 the appropriation for these programs equaled \$6.7 million.

New York also provides ten endowed chairs in its distinguished professorship program, and seven of the ten are at independent institutions. Each chair to receive \$80,000 annually provided by an annual appropriation of \$800,000.

New York State is perhaps best known today for its programs of direct assistance to independent colleges and universities. Almost fourteen years ago, an article in the November 9, 1958 issue of the New York Times declared: "State's Colleges Study Albany Aid". The article pessimistically concluded that "any effort New York's private colleges might make to obtain state aid at the 1959 session of the Legislature is likely to run into stiff competition".

Higher education, like some legislative bodies, frequently moves slowly. Ten years later, the Governor of New York and its Board of Regents together called into being a "Select Committee on the Future of Private and Independent Higher Education in New York, chaired by Mr. George Bundy. The committee's charge: "how the state can help preserve the strength and vitality of our private and independent institutions of higher education, yet at the same time keep them free".

The "Select Committee" issued its final report and recommendations in early 1968, and in that same year the New York Legislature adopted the Committee's recommendation of a plan to award grants to independent colleges and universities based on a formula of \$600 for each Bachelor's and Master's degree and \$2,400 for each doctorate degree awarded the previous year. The program, now known as "Bundy aid", awarded \$26.9 million in 1971-72 to seventy-one eligible institutions. In 1970, the Legislature approved a Program which also grants \$1,500 to private medical schools for each student enrolled. In 1971-72 this appropriation came to \$3.6 million.

With all of these programs of direct assistance to students and to institutions, one might ask what further measures should or even could be taken to further assist the independent colleges and universities. Yet in December of 1971, six presidents of some of the largest private universities in New York State prepared in behalf of the Commission on Independent Colleges and Universities (New York's AICCU) "A Plan of Action for Financing Higher Education in the State of New York". This report states that New York "is in a crisis in the financing of higher education" and there are, declared these six presidents, three elements to this crisis:⁵

1. Forty percent more student places must be provided in New York State in the 1970's.
2. A large number of the present student places (43% of the total) are jeopardized by the impending financial collapse of the State's private colleges and universities.
3. Burdens on the State's taxpayers are already excessive, and higher education is only one of many urgent demands.

To cope with this crisis, this "plan of action" makes several remarkable recommendations for a long-term plan to be phased in over three to four years. The plan includes the following:

1. "Public institutions should extend user charges to cover their full educational costs, including instructional expense and such student-related expenses as those for meals, rooms, and health services. This will introduce a new source of income from those students who, with their parents, can afford to pay all or part of the full costs at the public colleges and universities".
2. "At the same time, the Scholar Incentive Program should be expanded to the point where the maximum awards, for students with the greatest need, cover the full user charges at the public institutions. The awards should be usable at the New York institution of his choice, whether public or private.

For the short-term, that is the current 1973-73 state budget, the "Plan of Action" urged that the maximum Scholar Incentive award be increased from its present maximum of \$600 to \$1,500 and that "Bundy aid should be continued at least at present levels". In addition, the private institutions recommended that all categorical aid programs be continued at present levels and that "a temporary emergency fund should be established to sustain those private institutions facing immediate financial disaster".

This dramatic proposal advocates that New York's public institutions move to full-cost pricing for those students and their families who can afford it, and use of the vastly increased revenue to support those needy students who can't afford the cost. This plan would drastically narrow the "tuition gap" and, presumably, allow the independent colleges and universities to compete more successfully with the growing public institutions in New York.

The current student charges for 1972-73 at the State University of New York (SUNY), for example, are approximately \$675 for lower division students and \$825 for upper division students. Dr. Ernest L. Boyer, Chancellor of the SUNY system, has stated that "the State University is funded at a clearly defined per student cost. For example, \$1,540 for the first two years and \$2,570 for upper division years in our colleges of arts and sciences".⁶ Under the "Plan of Action", SUNY, presumably, would increase its tuition to their full-cost levels plus eliminating any state subsidies for other "student-related services". Even so, the so-called "tuition gap" between the public and private institutions would hardly be closed, only narrowed, particularly for the lower division years.

The proposals in the "Plan of Action" have not been warmly received in all quarters in New York. Dr. William I. McGill, President of Columbia University and one of the six private university presidents who drafted the "Plan of Action", commented on some of the criticisms to these proposals. Said McGill: "It appeared, after the fact, to have been graceless".⁷ In Boyer's view, "the key issue is the directing of public dollars to fulfill a public priority mission, and not whether the institution is public or private".⁸

North Carolina: In 1970, the State Board of Higher Education, at the request of the Governor and with the cooperation of the North Carolina Association of Independent Colleges and Universities, completed a study of private higher education in the state. In response to this study, a new program was adopted in 1971 with two purposes: 1) to sustain the present North Carolina student enrollment on private campuses, and 2) to encourage additional North Carolina students to enroll in order to fill as many vacancies as possible on the private college campuses. \$1,025,000 was appropriated for the Fall of 1972 with about half of these funds distributed to the private institutions as a contract program based on the number of additional North Carolina students enrolled since October 1, 1970, and the other half is regarded as direct institutional

aid and is based on the absolute number of North Carolina students enrolled on that same date. Each institution must disburse to needy students an amount equal to that received through both programs.

A separate program appropriates \$1,236,000 for the two years, 1971-73, to help educate state residents at the two private medical schools in the state. In addition, \$200 is awarded for each student enrolled in nursing diploma programs in private and public hospitals. The state maintains five scholarship programs for particular types of students and educational programs, including mental health fields as well as medicine and dentistry. North Carolina allows an income tax deduction for gifts to colleges and a State income tax exemption of \$600 for each dependent who is a full-time student at either a public or private college.

North Dakota: The North Dakota Council of Independent Colleges is seeking the enactment of a bill by the 1973 State Legislature to provide tuition equalization grants to students attending private colleges, since there is no legal or constitutional barrier to such aid.

Ohio: During 1970-71 Ohio instituted a program of Instructional Grants which provide grants up to \$510 for students attending public institutions and up to \$1,200 for those attending private colleges and universities. Approximately \$15 million has been appropriated for 1971-72, and during the previous year about three-fourths of the funds went to students in independent institutions. The state also provides a direct subsidy to the Case-Western Reserve Medical School, which amounted to \$2,680,000 in 1971-72.

The Ohio Board of Regents has, since 1968, administered the Ohio Higher Educational Facilities Commission. The Commission obtains capital improvement funds through the issuance of tax-exempt bonds at approximately municipal bond rates. The Commission thus helps to finance educational facilities at private institutions, and the Ohio Commission has become a model for a number of other facility authorities in other states.

Oklahoma: State law prohibits the use of state funds for budgetary support of private institutions. In 1971 the legislature approved a program of grants to students of up to \$500, based on need, up to a maximum of 50% of tuition and/or fees at a specific public or private college or university. The legislature has yet to fund this program of student aid, but bills have been introduced during the 1972 session for this purpose.

Oregon: The State Scholarship Commission administers a new program, implemented in 1971, of direct assistance to accredited independent colleges and universities in Oregon, and \$2 million was appropriated for this purpose for the 1971-73 biennium. The state is authorized to contract for the secular education of Oregon residents; and the state pays each institution up to \$250 for every 45 quarter hours or an equivalent of such secular education completed, which, in effect, becomes \$1,000 for every student completing four years of undergraduate education.

This program was predated by a Tuition-Equalization Grant Program in the 1969-71 biennium, funded at \$1,325,100, which simply made grants of \$100 per year to Oregon students enrolled as full-time students at approved private four-year institutions. The state also maintains a Scholarship Program of \$2,500,000 for 1971-73. One-fifth of this amount must be used at community colleges. Of the remaining funds, \$1.5 million is for "Need Grant Awards" and \$500,000 for "Cash Awards Program", either of which can be used at any accredited college or university, public or private, with a maximum annual grant of \$500. The Oregon Independent Colleges Association is seeking the same exclusion from payment of a transit tax as is enjoyed by the state institutions and the privilege of using the state purchasing system for all purchases.

Pennsylvania: As mentioned earlier, Pennsylvania has provided direct assistance to independent colleges and universities on a virtually continuous basis since colonial times. To this day, the state still does not have a true "state university". There are, however, fourteen completely public state colleges and three "state-related" universities: Pennsylvania State University, the University of Pittsburgh, and Temple University. Penn State serves as the state's land-grant institution, but a significant percentage of its trustees are self-perpetuating and not named by the state. Both Pittsburgh and Temple were once totally independent, and have only recently moved to this rather unique "state-related" status. Temple had been the nation's second largest private behind New York University, and was receiving some direct state assistance, but financial difficulties forced it, and Pittsburgh, to become "state-related". In return for substantial state support, these three universities have a minority of state-appointed trustees and accept Pennsylvania students at relatively low tuition rates.

In addition, there are no less than 118 completely private colleges and universities in Pennsylvania. Fourteen of these are "state-aided institutions", including some of the larger private universities, such as the University of Pennsylvania, Drexel University, Lincoln University, and Thomas Jefferson University. Most of the other state-aid colleges are specialized institutions in one way or another. It is estimated that approximately one-third of the money the state spends on higher education goes to the private sector. Capital facilities assistance is also provided by the Pennsylvania Higher Education Facilities Authority.

Second in total size only to New York, Pennsylvania maintains a massive state scholarship program, funded at \$55.4 million for 1971-72. These scholarships can be used in-state or out-of-state, and about 50% of the recipients attended independent institutions. The maximum award is \$1,200 for a Pennsylvania institution and \$800 for out-of-state colleges or universities. There is also an Educational Incentive Program for needy students who do not meet the test requirements for the scholarship program. There are also special programs of assistance for nursing, technical, and vocational education. Private medical schools, for example, receive about \$4,200 per student from the state.

Rhode Island: Like Pennsylvania's program, Rhode Island Scholarships can be used in any approved institution in the United States or even Canada. Awards are made directly to the recipient's institution, and unlike Pennsylvania the maximum award does not vary from in-state to out-of-state institutions. During 1970-71, \$1.5 million was appropriated for the program, and about 55% of this amount was used at independent colleges and universities. There are also Nursing Education and War Orphan Scholarships also usable at any approved institution, public or private.

South Carolina: The state has a tuition grant program for students attending independent colleges in the state, which is based on the "per student appropriation" at the state-supported institutions (approximately \$1,300). A State Supreme Court decision in 1970 ruled that church-related colleges could not participate in this program, leaving only four institutions eligible. South Carolina contracts with independent colleges to provide training for public school teachers. \$200,000 was appropriated for this purpose in 1971-72. In 1971 the State Education Assistance Authority was created to issue revenue bonds to make or guarantee loans to students. The Educational Facilities Authority also issues tax-exemption for capital construction purposes. The state's independent colleges have recently been given the authority to purchase from the State Purchasing Office and to utilize contracts negotiated by that office. While no state funding is involved, "substantial savings" to the independent colleges have resulted.

South Dakota: The only student aid programs in South Dakota are special programs to assist children of veterans, blind students, and American Indians. During 1970 and again in 1971 a tuition equalization plan, modeled on the Iowa program, was defeated by the legislature. One opinion why it may have been defeated in 1971 was that the bill was considered at the same time with another program to provide assistance to private elementary and secondary school students.

Tennessee: During 1971 the state's General Assembly established a Tennessee Student Assistance agency to administer a Tuition Grant Program. Grants would be limited to tuition and fees, usable at any accredited public and private college or university, and would have a maximum grant of \$1,000. Unfortunately, the legislature did not appropriate funds for the program, but is expected to do so in 1972.

Texas: In 1971, the legislature established a program of Tuition Equalization Grants of up to \$600 to Texas residents attending independent colleges and universities in the state. The grants are based on financial need, usable only for tuition, and are payable to the student only at the business office of the institution. \$1 million was appropriated for the 1971-73 biennium. While Texas maintains nineteen state scholarship programs of tuition and fee waivers, all are usable only at public institutions.

At the same time the tuition equalization program was approved, a companion piece of legislation that would have permitted the state to contract for educational services with independent institutions was not acted upon. Because of the growing disparity between public and private college tuitions in Texas, the state's independent institutions placed higher priority on the tuition equalization program. The state does, however, contract with Baylor University for medical and dental training and with the Texas College of Osteopathic Medicine for Texas undergraduate students.

Utah: The state participates in the WICHE program for out-of-state student places, and \$2,400 was appropriated in 1970-71 to independent institutions.

Vermont: As early as 1916, Vermont provided Middlebury College with a "State Teacher Training Grant" for its Department of Pedagogy. This practice continued until 1933, then resumed in 1943 with an annual grant of \$24,000. In 1970, the state made another contractual arrangement, this time with the private Norwich University to support the Vermont Development Department's Bureau of Research. Independent institutions are eligible for capital construction assistance from the Vermont Educational Building Financing Agency, but the legality of the Agency is being contested in the courts. The state maintains two scholarship programs, Honor Scholarships and Senatorial Scholarships, both usable in independent institutions. In addition, an Incentive Grant Program aids needy students and can be used at an out-of-state college or school of nursing or the medical college of the University of Vermont.

Virginia: The Virginia Constitution prohibits appropriations to any organization "controlled" by a church or to any charitable institution not controlled or owned by the Commonwealth. The state does provide State Teacher Scholarships, some of which are used by students attending non-sectarian colleges. There are also one hundred Nursing Scholarships and about six Dental Hygienist Scholarships awarded per year. In Virginia private colleges and universities are granted exemption from sales taxes as well as the more traditional exemption from property taxes. A recent Constitutional change will permit the establishment of a state bonding authority through which private colleges and universities may borrow money for facilities construction.

Washington: 1971 was a big year for tuition equalization programs. The Washington Legislature approved a Tuition Supplement Program which grants up to \$100 per student to private institutions for every full-time undergraduate enrolled at the institution. The State's Student Aid Program had its funds more than doubled during the 1971-73 biennium, and students receiving funds under this program can attend public or private institutions within the state. New legislation in 1971 clarified the tax exempt status of student housing, food services, student unions, field houses, etc. Three bills which would have provided for the general contracting of services with private institutions, as well as for nursing and law students, were defeated primarily due to the financial condition of the state.

West Virginia: The State Scholarship Program provides grants up to \$900 to students attending any "approved institution of higher education". Current funding permits the maximum award actually granted to be \$600, but there are those eternal hopes for a sharp increase in funding as well as other supplementary state programs to encourage more students to enroll in West Virginia's independent colleges.

Wisconsin: Wisconsin began its Tuition Grant Program in 1965 with a maximum award then of \$500, subsequently raised to \$650, and now proposed to be increased to \$900. This program is restricted to students attending independent colleges in the state and might thus be properly regarded as a tuition equalization program. During 1970-71 \$2 million was appropriated for this program. In addition, there are in Wisconsin Tuition Reimbursement Grants for students enrolled in courses not offered by Wisconsin public institutions. Private Wisconsin and out-of-state institutions qualify. There are also Honor Scholarships, Indian Scholarships usable at independent institutions, and Stipends for Teachers of the Handicapped as well as Educational Manpower grants, all usable at private institutions. The State of Wisconsin subsidizes the private Medical College of Wisconsin, formerly the Medical School of Marquette University, with about \$3 million a year for "operating" expenses. In Wisconsin, the private sector is exempt from sales and use taxes as well as property taxation.

Wyoming: As is the case with Nevada, there are no private institutions in Wyoming, but the state does participate in the WICHE program. During 1970-71, \$17,403 was appropriated to non-public institutions.

SUMMARY

The variety of forms of state assistance to independent higher education seem to be limited only by the imagination of legislators and educators in the fifty states. Virtually everything that can be done, is being tried somewhere. There is also vast and disparate variation among the fifty states, both among the number of their programs and the magnitude of their efforts. Two states, New York and Minnesota, have programs in all six categories of methods of state support listed in Table 26, while no less than twelve states have no current methods, other than tax-exemption, of assisting private colleges and universities and their students. (Two of these twelve, it should be noted, Nevada and Wyoming, have no independent institutions.)

Student assistance, typically in the form of a wide variety of scholarship programs, is the most common present practice of more fully utilizing independent colleges and universities and assisting their students. At the present time at least thirty-four of the fifty states have operational student aid programs, or programs which have been approved but not yet funded. (State and/or Federal guaranteed loan programs are not included.) Eighteen states have programs to support medical, dental, nursing, or osteopathic medicine. Some of these eighteen states have scholarship or fellowship programs for students in these particular educational programs. A few states, like California, maintain "contract" programs or provide direct grants to medical, dental, or nursing schools.

Only eight states have programs to assist minority and/or disadvantaged students, or at least programs which are specifically identified for this purpose. Almost all of these eight states have categorical student aid programs for these students, so that these eight states are also included within those thirty-four states which maintain student aid programs usable at independent colleges and universities. The point here is that there is considerable overlap among these categorizations and that these listings aren't mutually exclusive.

Fourteen states now have programs which provide assistance to independent institutions in financing construction and/or renovation of facilities. Twelve of these fourteen states now have dormitory or educational facilities "authorities" with the power to issue tax-free bonds. Only two states, Alabama and Maryland, have provided direct grants to independent institutions which may be used for the construction of facilities. Clearly the fifty states, in aggregate, have thus far chosen not to provide private institutions with grants of state funds for the construction of facilities. At the same time, the establishment of state-authorized facility authorities is one of the most rapidly developing means of indirect state assistance to these institutions, since the vast majority of these authorities have been created within the past five years.

Direct institutional aid, that is direct state appropriations to independent institutions, is one of the oldest forms of governmental assistance

to higher education, public and private. Presently fourteen states have programs which can be classified under this general heading. Four states, Alabama, Alaska, Maryland, and Pennsylvania, provide direct appropriations to some private, "state-aided" or "state-related" institutions for the operating budgets at some private institutions. Connecticut, like Oregon, now has a program of awarding funds per resident. Illinois, per student plus cost-of-education grants to institutions accompanying each State Scholarship or Grant. Minnesota, Ohio, and Wisconsin provide direct appropriation to private medical schools. North Carolina, like Connecticut's former program, awards direct grants based on additional enrollment of state residents. South Carolina provides direct assistance for teacher training. Perhaps the most widely known program is that of New York with its "Bundy aid", which is based on the number of degrees of various levels awarded by the institution receiving state funds.

Eleven states have "other" programs or practices which assist, frequently indirectly, independent colleges or universities. Most of these "other" forms are plans of various tax credits, tax exemptions, tax deductions, or outright exemptions of several kinds of state imposed taxes.

Lastly, one of the newest and fastest growing forms of state assistance to students attending independent institutions is "tuition equalization plans", which comes under the more general heading of "student assistance". No less than seven states have tuition equalization plans typically named as such: Alaska, Iowa, Michigan, New Jersey, Texas, Washington, and Wisconsin. Furthermore, at least six additional states are actively considering or formally proposing similar plans: Arizona, Florida, Indiana, Kentucky, North Dakota, and South Dakota. Oregon had a tuition equalization program, which has now been converted to a program of direct assistance. Tuition equalization is obviously a "hot" issue and growing in importance around the country.

All of this firmly implants the realization that the individual states are one of the most important patrons of higher education, private as well as public.

REFERENCES

1. Fred A. Nelson, "State Aid to Private Colleges and Universities", Unpublished manuscript, Stanford University, 1968, pp. 4-11.
2. Ibid, p. 38.
3. Frederick Rudolph, "Who Paid the Bills: An Inquiry into the Nature of Nineteenth-Century College Finance", Harvard Education Review, Spring 1961.
4. Blackmar, op. cit., p. 139-147.
5. "A Plan of Action for Financing Higher Education in the State of New York", prepared on behalf of The Commission on Independent Colleges and Universities, State of New York, an association of 106 private institutions of higher education, December 1971, pp. 1-2.
6. "The Crisis of Money and Identity", Change Magazine, September 1972, p. 40.
7. Ibid., p. 42.
8. Ibid.

CHAPTER V

UTILIZATION OF CALIFORNIA'S INDEPENDENT INSTITUTIONS

Chapter II of this report documents the present ways the independent institutions are being utilized. The question remains: are these institutions being fully utilized? If not, what might be done to encourage greater utilization of the capacities and resources of the independent colleges and universities?

The answer to this question is obvious. The independent institutions certainly could be more fully utilized. Many of them could, and would, accommodate more students. There could be greater freedom of choice for students among all the state's colleges and universities, and there could be yet greater diversity of type, function, and philosophy among the educational options available to students. Furthermore, there is the possibility, some would say probability, that the state could effect some economies in its overall expenditures for higher education by increasing the utilization of California's independent colleges and universities.

Space Available and Anticipated

The major problem, as well as the most dramatic success, of American higher education since World War II has been coping with numbers. The greatness that any state's system of higher education, that any college or university president, might achieve in this era was often due to the size of the numbers and/or the success in coping with greatly inflated enrollments. This post-war era has resulted in something which might be called a "growth psychology". New programs, new faculty, new campuses, and new kinds of students served all depend upon growth. To add without subtracting, expansion is necessary. The only decline in enrollments in California since World War II occurred after the flood of World War II veterans began to ebb at the onset of the Korean conflict in early 1950. Since 1950 and 1951 growth has been the norm for all segments of California higher education.

Despite their growth in enrollment, California's independent colleges and universities, have always had, and have now, the capacity to accommodate additional students. In 1954, R. J. Wig, the Chairman of the Board of Trustees at Pomona College and one of the "founding fathers" of both the AICCU and the State Scholarship Programs, sent a questionnaire to the twenty-six accredited private institutions to ask how many more students they could accommodate. (Wig at that time was trying to make the case for a State Scholarship Program usable at the state's independent institutions.) All twenty-six institutions responded, and, combining undergraduate and graduate enrollments, their aggregate answers indicated that 8,706 more students could be accommodated; 13,126 more could be accommodated with small changes to facilities; and 19,276 more if a program of state scholarships were usable at private colleges and universities.¹

During March of 1972, the AICCU conducted a survey of its member institutions similar to the questionnaire of R. J. Wig eighteen years ago.

The AICCU survey asked for the number of full-time lower division, upper division, and full-time graduate students each institution could and would accommodate in the Fall of 1974 compared to Fall enrollment of 1971. These estimates were based on the following five assumptions:²

1. That there will be no change in institutional policy concerning ultimate total enrollment.
2. That any additional enrollment will be distributed among majors and degree programs in pretty much the same pattern that now exists.
3. That physical facilities will not be increased beyond present plans for physical expansion by Fall of 1974.
4. That the additional enrollment could be accommodated without any increase in the institutional student aid budget.
5. That any new state program to stimulate enrollment in independent institutions (voucher-type programs, expansion of State Scholarship program, etc.) would be enacted by July of 1973 to become effective by January of 1974.

The results of this AICCU questionnaire in March of 1972 generated the data in Table 27. The space available is shown by the AICCU groupings which are named in Table 11 on Page 23.

TABLE 27

ADDITIONAL SPACE FOR FULL-TIME STUDENTS
Additional Space Available in Fall 1974
(Difference Between Fall 1971 Enrollment and
Space Available in Fall 1974)

AICCU Groups	Space for Additional Lower Division Students	Space for Additional Upper Division Students	Space for Additional Graduate Students	Total Space for Additional Students
Group I	600	950	2,182	3,732
Group II	1,750	1,900	1,070	4,720
Group III	275	255	90	620
Group IV	1,275	1,135	355	2,765
Group V	1,050	975	250	2,275
Group VI	<u>1,005</u>	<u>1,402</u>	<u>370</u>	<u>2,777</u>
Total Groups	5,955	6,617	4,317	16,889

Source of Data: 1972 Statistical Profile, Independent California Colleges and Universities, prepared by The AICCU Research Foundation, August 1972

Given the five assumptions on which these estimates were made, it would appear that the independent institutions could accommodate 17,000 more students by the Fall of 1974. Many of these places are at non-residential institutions such as West Coast University, but all six of the AICCU groups of institutions indicate that they could accommodate significant numbers of students. .

Whenever private institutions in California, Illinois, New York or elsewhere talk about "space available" for additional students, there are occasionally some unasked questions. What, for example, happens to those students who apply for admission but who are rejected? What is the relationship of "space available" to number of applications rejected at each specific institution? Are we only considering the kind of students these colleges would like to enroll? While all AICCU groups indicate they have space available, obviously some institutions are more eager and able to expand than others. This leaves the dilemma that many of the institutions most anxious to attract more students, are the ones which are least selective and reject the smallest percentage of applicants for admission.

Decline in Admissions Applications

Another measure of the less than maximum utilization of California's independent colleges and universities, is the current decline in admissions applications. This fact has obvious and important implications for the future. It must be stressed here that private higher education in California, as elsewhere, does not exist in a vacuum. Admissions applications nationally are leveling off, and applications to a number of the public four-year campuses in California for the Fall of 1972 have also declined. So this situation is not unique to either California or California's independent colleges and universities. What is important is that all AICCU groups of institutions have suffered declines in freshman applications from 4.0% to 24.0% and declines in transfer applications from 0.6% to 39.7%. Overall, there was a decline of 8.5% in freshman applications and 5.2% in transfer applications from April of 1971 to April of 1972. These data are reflected in Table 28.

TABLE 28
DECLINE IN FRESHMAN AND TRANSFER APPLICATIONS
(FROM APRIL 1971 TO APRIL 1972)

DECLINE APPLICATIONS

	Freshman Applications		% of Change
	<u>4/71</u>	<u>4/72</u>	<u>71 to 72</u>
Group I	14,813	14,073	-5.0
Group II	9,305	8,888	-4.5
Group III	8,913	7,641	-14.3
Group IV	3,746	3,442	-8.1
Group V	2,609	1,982	-24.0
Group VI	<u>1,609</u>	<u>1,500</u>	<u>-6.8</u>
Total Groups	40,995	37,526	-8.5

TRANSFER APPLICATIONS

	Transfer Applications		% of Change
	<u>4/71</u>	<u>4/72</u>	<u>71 to 72</u>
Group I	5,587	4,698	-15.9
Group II	2,510	2,739	9.1
Group III	1,258	1,250	-0.6
Group IV	1,255	1,202	-4.2
Group V	461	278	-39.7
Group VI	<u>1,254</u>	<u>1,515</u>	<u>-20.8</u>
Total Groups	12,325	11,682	-5.2

Source of Data: 1972 Statistical Profile, Independent Colleges and Universities, August 1972, p. 53.

In addition to these declines in applications for admission, twelve AICCU institutions experienced a decline in full-time undergraduate students. The effects of declines in admissions applications, or even enrollment of new students, are slow to be seen because larger classes of upperclassmen can cause total enrollment to remain constant, or even increase, while the number of new freshmen declines. Even so, these trends will soon become apparent.

A partial AICCU survey in the Spring of 1971 indicated that at that time applications were 5% below those of the Spring of 1970. The admissions officers of the private colleges and universities offer a number of reasons for the current year's decline, which are some of the same reasons being discussed around the nation: more students heading for lower cost public institutions, particularly no-tuition community colleges; many students, particularly middle class, opting to defer entering college at all; and less students filing multiple applications because of greater certainty of admission.

From the point of view of independent institutions, costs to the students appear to be the biggest factor in these drops in applications, as the "tuition gap" between public and private institutions continues to widen. Yet other reasons exist. Many students today seek larger institutions with a wide variety of academic programs and, presumably, a more heterogeneous student body. Another unspoken reason is the increasing quality of many of the public four-year institutions and the increasing academic respectability of community colleges.

Quality of California's Independent Colleges and Universities

If one accepts the supposition that both the individual and society benefit by higher education, then utilization must not only be measured by the numbers of students served but also by the quality of that education. Quality in higher education, like other subjective features of American life, is not easy to evaluate. As yet no one has been able to define satisfactorily, much less quantify in absolute terms, those elusive characteristics which determine the strengths or weaknesses of a college or university. The quality of a particular student's education or a particular institution's educational programs becomes a curious blend of the "quality" of faculty, students, educational resources, and the specific mission, philosophy, or sense of purpose of the institution itself.

Most four-year colleges and universities in California are "accredited" by the Western Association of Schools and Colleges, but the various regional accrediting associations have been unable to agree on specific criteria of quality. Variations between associations as well as within regions in terms of the ranges in quality acceptable for "accreditation" attest to this fact. Yet institutions, like individuals, clearly do have reputations, whether or not they are justified in fact. Some institutions are thought of as "strong" while others are "weak", some are "adequate" and others "less than adequate".

Should the state be concerned about the "quality" of California's independent higher education? Both the Illinois Commission to Study Non-Public Higher Education and the Select Committee on the Future of Private and Independent Higher Education in New York conclude independently that the state must be concerned with the quality of its private colleges and universities. The forms of this concern vary, and no state would probably accept the notion that any private college or university should be kept alive regardless of the cost to the state. Nevertheless, if states, including California, are concerned about more fully utilizing independent colleges and universities, the state should be also concerned about the quality of these institutions and the education which they provide.

A thorough examination of the quality of California's independent colleges and universities, even if "thoroughness" were possible, would itself take a separate study far longer than this one. Even so, some of the more frequently agreed upon elements of quality are: 1) the quality of faculty; 2) the quality of students, and 3) the quality and quantity of educational resources available. The Illinois Commission, for example, developed seventeen quantifiable measures of quality, many of which are almost hackneyed, such as "library books per student" and "percent of faculty with earned doctorate". Salaries of faculty at all ranks were considered important, as were faculty-student ratios. Student "quality" almost always falls back on standardized test scores, which have limited usefulness in determining institutional "quality". One could also consider the number of State Scholarship winners electing to attend a particular institution. (Illinois has both Scholarships and Grants, and both programs were included as measures of quality.) Selectivity of admission, that is the percent of applicants offered admission, is another measure. However, it is well known that a great deal of "self selection" is done by the applicants themselves, so that those institutions which admit a relatively low percentage of their applicants do not necessarily end up with students of higher academic ability than some institutions which admit a higher percentage of their applicants.

"Educational resources" almost defies qualification. One can, and usually does, talk about "library books per student", and what might be more useful would be "library expenditures per student". Educators would also like to think that the "quality" of administrative officers is also important and that the imagination, resourcefulness, and vision of an institution are also "educational resources".

The following Tables 29 and 30 show in very condensed forms some of these measures for some of California's independent colleges and universities. Table 29 lists nine different, quantifiable, characteristics for faculty and students in many of California's independent institutions. Table 30 is the AICCU Administrative Salary Survey for 1971-72. Any inferences about institutional quality should be made with great caution and considerable skepticism. Many capable faculty at many of California's institutions could earn more money elsewhere, but they have a dedication to a particular institution, its mission, and its students. Similarly, many institutions with relatively low "admissions selectivity" and

standardized student ability measures may well be providing a "better" and more meaningful education, and indeed a greater public service, than some institutions with higher faculty salaries, higher admissions selectivity, and higher student academic ability.

TABLE 29

FACULTY AND STUDENT MEASURES IN CALIFORNIA INDEPENDENT INSTITUTIONS

	FACULTY				% With Doctor- ate	STUDENTS			
	1971-72 Faculty Salaries					Mean Verbal	SAT Math	% Appli- cants Admitted	
	Prof.	Assoc. Prof.	Asst. Prof.	Inst.				Men	Women
Biola College	14,5	12,6	10,5	9,4	42%	518	511	-	-
Calif. Baptist	11,7	10,2	-	-	24%	468	467	80%	80%
Cal Tech	27,0	17,3	14,5	11,3	94%	696	763	28%	51%
Chapman College	18,6	13,5	11,1	10,4	50%	480	475	-	-
Claremont Men's Claremont U. Center	21,5	15,8	13,4	11,5	90+%	-	-	60%	-
Golden Gate	25,7	19,8	-	-	-	-	-	-	-
Harvey Mudd	-	14,0	11,6	-	11%	-	-	66%	62%
Immaculate Heart	21,6	16,0	12,9	-	100%	-	-	46%	51%
La Verne College	16,6	13,8	11,4	9,7	47%	618	608	40%	43%
Lone Mountain*	15,3	12,9	11,2	-	47%	-	-	-	-
Loyola	15,3	-	10,5	9,1	36%	481	460	-	-
Marymount	19,4	14,7	11,6	10,1	63%	520	565	82%	57%
Menlo College	-	-	10,7	9,0	31%	516	487	-	44%
Mills College	-	-	-	-	7%	487	525	38%	63%
Mt. St. Mary's*	20,5	15,7	13,6	10,7	65%	561	525	-	-
Northrop Inst.	15,0	-	10,6	9,1	35%	507	506	-	-
Occidental	-	-	-	-	25%	471	587	20%	66%
Pacific College	21,0	16,6	12,6	11,4	70%	623	641	58%	51%
Pasadena College	-	-	-	-	50%	454	436	80%	89%
Pitzer College	13,9	10,6	9,8	7,6	25%	-	-	87%	88%
Pomona College	20,3	15,3	12,4	-	45%	593	567	66%	73%
St. Mary's College*	22,4	17,1	13,2	12,0	89%	646	645	46%	31%
Scripps College	20,4	16,0	12,3	10,4	58%	572	543	66%	78%
Stanford	20,6	15,2	12,7	-	67%	602	562	-	57%
UOP	26,4	18,7	14,7	10,4	90+%	-	-	26%	24%
Redlands	19,0	15,9	13,5	11,0	62%	508	520	73%	86%
San Diego	20,2	15,6	12,5	10,1	70%	580	600	69%	63%
San Francisco*	15,5	13,3	11,0	9,2	60%	503	497	61%	73%
Santa Clara*	20,8	16,0	12,8	10,7	38%	491	515	82%	86%
USC	21,1	16,7	13,7	-	62%	540	572	75%	74%
Westmont	22,3	17,0	14,0	11,4	89%	545	568	78%	78%
Whittier	16,1	13,8	11,5	-	53%	527	538	92%	91%
	20,3	16,6	13,3	11,3	60%	500	514	73%	94%

TABLE 29 (CONTINUED)

	FACULTY					STUDENTS			
	1971-72 Faculty Salaries				% With Doctor- ate	Mean SAT		% Appli- cants Admitted	
	Prof.	Assoc. Prof.	Asst. Prof.	Inst.					
	to	to	to	to		Verbal	Math	Men	Women
Calif. State Univ. Campuses (Range of Salaries)	19,4	14,8	12,2	10,4	Approx 60%				
San Francisco	20,2	15,4	12,8	11,3		500	510		
Stanislaus						480	520		
Univ. of Calif. (All Campuses)	23,5	15,8	12,8	9,1	90+%				
Davis						541	580		
Irvine						560	600		
Santa Cruz						620	510		

*Salary Data are for lay faculty only.

Source of Data: Faculty salaries, The Chronicle of Higher Education, Volume VI, Number 31, May 8, 1972.
Percent of Faculty with Doctorate: AICCU Counselors Guide, 1971.
Mean SAT Verbal and Math Scores: AICCU publication, What's the Story? Independent Colleges and Universities of California, 1971
Percent of Men and Women Applicants Admitted: Data supplied to the College Entrance Examination Board for use in CEEB College Handbook and to any student using the CEEB College Locator Service.

TABLE 30

AICCU ADMINISTRATIVE SALARY SURVEY
Report of Salary Information - 1971-1972

Note: Number of positions in each classification shown in parenthesis in front of salary figures.
Top line shows next to highest salary in group; middle line shows median salary in group;
bottom line shows next to lowest salary in group.

Title or Function	Group I	Group II	Group III	Group IV	Group V	Group VI
Chief Executive Officer	(3) 50,000	(7) 40,000 (7) 30,922 28,000	(7) 38,000 (7) 35,000 30,300	(8) 36,099 (8) 23,500 16,000	(8) 29,925 (8) 23,000 17,500	(8) 33,000 (8) 27,197 22,000
Chief Academic Officer	(3) 43,000	(7) 33,300 (7) 26,700 22,000	(7) 28,000 (7) 25,000 20,000	(11) 22,240 (11) 19,800 15,300	(9) 20,000 (9) 16,900 13,850	(7) 21,400 (7) 15,240 12,000
Registrar	(2) 19,300	(7) 18,445 (7) 12,808 11,400	(7) 12,298 (7) 11,000 9,900	(9) 14,400 (9) 11,300 10,200	(8) 12,078 (8) 10,679 9,100	(7) 14,000 (7) 9,600 7,200
Director of Admissions	(2) 21,250	(7) 18,865 (7) 16,000 13,750	(7) 18,124 (7) 16,000 13,500	(8) 13,300 (8) 12,600 11,000	(6) 17,325 (6) 14,203 8,900	(6) 13,125 (6) 12,050 8,500
Head Librarian	(3) 29,000	(7) 21,000 (7) 18,250 12,000	(4) 16,002 (4) 15,813 15,625	(10) 17,520 (10) 12,950 10,200	(9) 14,045 (9) 10,300 8,850	(8) 13,500 (8) 10,825 9,000
Director, Computer Center	(3) 25,000	(5) 19,800 (5) 18,173 16,664	(2) 13,350	(2) 11,085	-	(2) 11,500
Chief Business Officer	(2)	(7) 31,800 (7) 25,000 21,500	(3) 23,040	(11) 19,800 (11) 16,000 13,070	(9) 19,500 (9) 16,500 11,825	(7) 23,000 (7) 18,371 14,400
Purchasing Agent	(3) 19,000	(7) 12,600 (7) 12,000 10,100	-	(5) 9,000 (5) 8,800 8,400	(1) -	(2) 8,213
Director, Personnel Services	(3) 21,000	(7) 18,900 (7) 14,700 11,077	(1) -	(5) 11,500 (5) 10,000 8,300	(1) -	(3) 9,600

Even from this limited data in Tables 29 and 30, it becomes obvious that much support of California independent higher education is through underpaid faculty. It also becomes clear that many of these institutions could be more fully utilized if they had the resources to strengthen their faculty on one hand and pay what the most qualified and capable deserve on the other. Except for the extremely limited data on faculty salaries for the University of California, the California State University and Colleges, and student test score data on a few of the public campuses, there is no effort here to compare directly, or even indirectly, the "quality" of California's independent colleges and universities with the four-year institutions in California's public sectors. Obviously a few of the independent institutions do provide faculty salaries which compare favorably with those of the University of California. Many others compare more closely with those of the California State Universities, and a few are below either of the four-year public segments.

There is increasing evidence that admissions standards and quality of students may decline at high-tuition private colleges. Humphrey Doermann in his research has pointed out that even nationally there are actually very few students academically talented enough and rich enough to afford the high-cost private institutions. The choices appear to be massive student aid programs for the not-so-rich or lessening admissions "standards" for the not-so-bright who can still afford the tuition.³

Cost Differentials Between Public and Private

Many of California's independent colleges and universities believe the primary cause of their current financial crisis is high tuition. The AICCU believes that "most independent colleges have raised tuition too high too fast", and "as a result, applications from prospective students have dropped off and enrollment of new students has leveled off or declined". The second problem, in the view of these independent institutions is that "tuition is too high both in absolute terms and in relation to student charges in public institutions. The dollar gap between student charges in independent and public institutions has grown to unmanageable size".⁴

What are the cost differentials between California's public and private colleges and universities? The AICCU is fond of speaking about the "tuition gap", but to speak only about the differences in tuition charges exaggerates the differences in the total cost to the student and/or his parents.

The differences in tuition charges must also be considered with differences in total student budgets. The following Table 31 shows tuition and fees, estimates of resident and commuter board and room, and estimated total resident and community student budgets for the 1972-73 academic year. These are the data as reported to the College Scholarship Service, which then serve as a basis for determining financial need and financial aid awards. All California independent institutions listed with CSS are contained in this Table as well as the mean charges for the three public segments and the resulting differences in mean charges between the California independent institutions and the three public segments.

TABLE 31

CALIFORNIA COLLEGES AND UNIVERSITIES
STUDENT EXPENSE BUDGETS FOR 1972-73

	<u>Tuition and Fees</u>	<u>Resident Room and Board</u>	<u>Commuter Room and Board</u>	<u>Total Resident Budget</u>	<u>Total Commuter Budget</u>	<u>Out of State Charge</u>
Antioch College- San Francisco	-	-	\$2,160	-	\$5,450	-
Armstrong College	\$1,053	\$1,125	1,125	\$2,508	2,598	-
Art Center Coll. of Design	3,000	1,800	900	6,000	5,475	-
Azusa Pacific Coll.	1,600	1,038	400	3,388	2,500	-
Bethany College	1,400	1,000	500	2,800	2,500	-
Biola College	1,600	975	550	3,025	2,900	-
Calif. Baptist College	1,272	930	930	2,852	3,052	-
Calif. Christian College	530	774	1,800	1,654	2,780	-
Calif. Coll. of Arts & Crafts	1,800	1,450	1,450	4,000	4,000	-
Calif. Coll. of Podiatric Med.	2,022	2,400	2,400	5,622	5,622	-
Calif. Inst. of Technology	2,850	1,300	720	4,700	4,170	-
Calif. Inst. of the Arts	2,500	1,500	900	5,000	4,300	-
Calif. Lutheran College	2,023	950	900	3,573	4,023	-
Calif. Sch. of Prof. Psych.	-	-	2,300	-	6,050	-
Chapman College	1,934	1,000	-	3,500	2,95-	-
Claremont Men's College	2,619	1,280	-	4,399	-	-
College of Notre Dame	1,500	1,200	900	3,400	3,100	-
College of the Holy Names	1,550	1,214	700	3,514	3,025	-
Dominican Coll. of San Rafael	1,600	1,250	1,000	3,450	3,450	-
Golden Gate Coll.	1,012	1,313	1,080	3,450	3,502	-
Heald Business Coll.	-	-	900	-	2,800	-
Immaculate Heart College	2,025	1,250	3-0	3,850	2,950	-
La Verne College	1,935	980	530	3,215	2,915	-
Linda Vista Baptist Bible College	633	880	480	1,613	1,284	-
Loma Linda Univ.	1,742	1,020	920	3,400	3,400	-
Lone Mountain Coll.	1,500	1,230	600	3,280	2,725	-

TABLE 31 (CONTINUED)

	<u>Tuition and Fees</u>	<u>Resident Room and Board</u>	<u>Commuter Room and Board</u>	<u>Total Resident Budget</u>	<u>Total Commuter Budget</u>	<u>Out of State Charge</u>
Los Angeles Baptist College	\$1,100	\$ 880	\$ 880	\$2,455	\$2,555	-
Loyola Univ.-L.A.	1,920	1,190	-	3,710	3,020	-
Marymount Coll.- Palos Verdes	1,560	1,450	1,000	3,500	3,170	-
Marymount Coll.- Los Angeles	1,815	1,140	1,140	3,360	3,760	-
Mills College	2,295	1,590	-	4,435	-	-
Monterey Inst. of Foreign Studies	-	-	2,005	-	4,950	-
Mount St. Mary's College	1,500	1,250	900	3,200	2,850	-
Northrop Inst. of Technology	1,655	1,251	900	3,356	3,355	-
Occidental College	2,460	1,310	410	4,270	3,670	-
Otis Art Inst.	-	-	1,630	-	3,590	-
Pacific Christian College	950	870	500	2,470	2,700	-
Pacific College	1,435	1,000	1,050	2,935	3,070	-
Pacific Union Coll.	1,740	960	650	2,950	2,950	-
Pasadena College	1,780	900	900	2,930	3,230	-
Pepperdine Univ.	2,176	1,150	-	3,626	2,676	-
Pitzer College	2,655	1,400	1,050	4,705	4,405	-
Pomona College	2,714	1,400	1,400	4,614	4,614	-
Riverside Univ.	1,300	900	900	2,650	2,950	-
San Francisco Art Inst	1,540	1,300	1,200	3,440	3,440	-
San Fran. Conser- vatory of Music	1,845	1,200	900	3,645	3,345	-
Scripps College	2,510	1,400	-	4,410	-	-
Simpson College	1,245	970	1,500	2,615	3,345	-
Skadron Coll. of Business	-	1,440	1,080	1,440	1,340	-
So. Calif. Coll.	1,245	990	-	2,800	2,300	-
So. Western School of Law	1,350	2,000	2,000	3,950	4,350	-
St. Johns College	740	700	-	1,590	-	-
St. Mary's Coll. of Calif.	1,940	1,115	-	3,555	2,840	-
Stanford Univ.	2,610	1,295	-	4,405	-	-
U.S. Int'l Univ.	2,214	1,200	675	4,064	3,664	-
Univ. of Redlands	2,350	1,150	1,050	4,000	4,200	-
Univ. of San Diego	1,760	1,400	900	3,660	3,560	-
Univ. Santa Clara	2,070	1,242	742	3,962	3,462	-
Univ. of So. Calif.	2,515	1,250	900	4,315	4,315	-

TABLE 31 (CONTD)

	<u>Tuition and Fees</u>	<u>Resident Room and Board</u>	<u>Commuter Room and Board</u>	<u>Total Resident Budget</u>	<u>Total Commuter Budget</u>	<u>Out of State Charge</u>
Univ. of the Pacific	\$2,610	\$1,320	\$ 600	\$4,530	\$4,010	-
Western States Coll. of Eng.	725	1,200	1,200	2,425	2,425	-
Westmont College	2,100	1,050	600	3,650	3,000	-
Whittier College	2,230	1,000	900	3,780	3,780	-
Mean Charges:						
Independent Institutions	\$1,796	\$1,202	\$1,019	\$3,510	\$3,421	-
Univ. of Calif.	649	1,399	989	2,795	2,276	\$1,500
Calif. State Univ. & Colleges	216	1,187	733	2,103	1,809	1,024
Calif. Community Colleges	20	1,039	889	1,733	1,721	748
Difference Between:						
Independents & Univ. of Calif.	\$1,146	\$ 197	\$ 30	\$ 715	\$1,145	-
Independents & State Univ.	1,579	15	286	1,407	1,714	-
Independents & Community Coll.	1,776	163	129	1,777	1,670	-

Source of Data: Student Expense Budgets of Colleges and Universities for 1972-73 Academic Year, College Scholarship Service of the College Entrance Examination Board, New York, March 1972.

From Table 31 it appears that the mean "tuition gap" between fifty-seven independent institutions in California and the University of California is \$1,146 and the California State Universities and Colleges is \$1,579. But the mean difference in total resident budgets between independent institutions and UC is only \$715 and with CSUC, \$1,407. The mean charge for tuition and fees for 1972-73 at these same fifty-seven independent institutions is \$1,796, in contrast to \$649 at the nine campuses of the University of California and the mean fee charge of \$216 at the nineteen campuses of the California State Universities and Colleges.

It should be pointed out here that independent institutions have reason to be conservative in their estimates of resident or commuter board and room; whereas the low-tuition public institutions have reason to be liberal in these same estimates. The private institutions want their total budget to be as low as possible but still realistic. The public institutions make more liberal estimates of resident board and room plus miscellaneous expenses in order to make financial aid applicants eligible for as large an amount of financial aid as possible.

The AICCU has chosen to compute the "dollar gap" or the "tuition gap" by using the average tuition and fee charges for the twenty independent institutions enrolling the largest number of State Scholarship winners and the average student charges (tuition and/or fees) at the University of California and the California State Universities and Colleges. For 1972-73, the AICCU estimates that the average tuition and fees for those twenty independent institutions is \$2,279, which contrasts with the mean tuition and fees of \$1,796 for fifty-seven independent institutions for the same year.

Nevertheless, the AICCU asserts that "the dollar gap between student charges in independent institutions and four-year public institutions has increased by \$1,332 during the last 16 years. In 1956 the difference was \$546. In 1972 it is \$1,878. In the Fall of 1973 it is likely to be \$2,000".⁵

The graph in Figure 1 depicts this increase in the "dollar gap" from 1956-57 to 1972-73. The data in Table 32 provide the basis for the graph in Figure 1, and the data in Table 33 show how the average State Scholarship award has not kept pace with increases in tuition and fees, at least at those 20 institutions receiving the most State Scholarships.

FIGURE 1
GAP BETWEEN INDEPENDENT COLLEGES AND 4-YEAR PUBLIC INSTITUTIONS IN STUDENT CHARGES

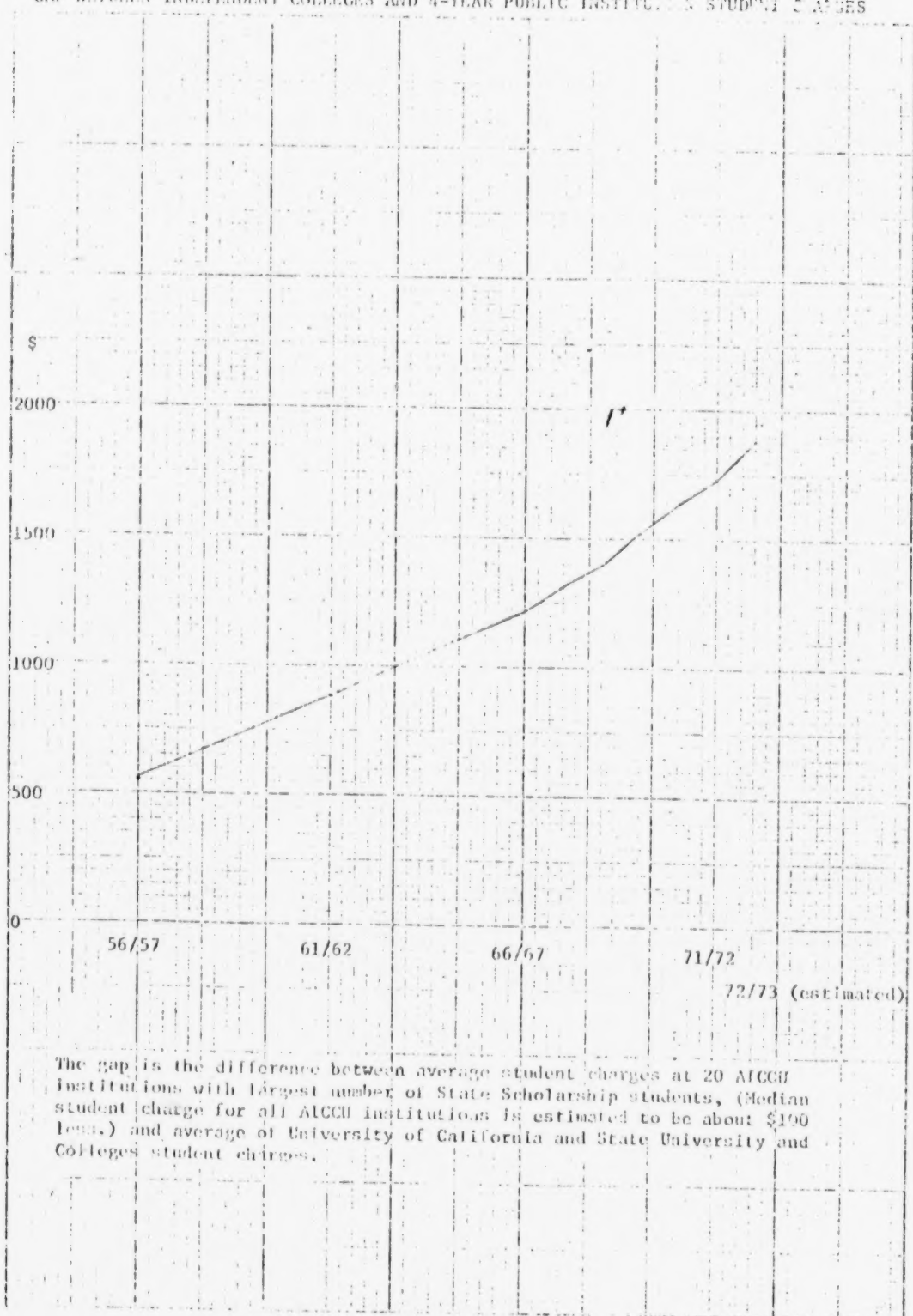


TABLE 32

DOLLAR GAP BETWEEN STUDENT CHARGES IN
PUBLIC AND INDEPENDENT COLLEGES

	Average Tuition & Fees in Independent Colleges*	Average Fees at 4-Year Public Institutions**	Gap Between Inde- pendent Colleges and 7-Year Public Institution Student Charges
1956-57	\$ 620	\$ 74	\$ 546
1961-62	989	120	869
1966-67	1,390	174	1,216
1967-68	1,490	183	1,307
1968-69	1,629	232	1,397
1969-70	1,758	242	1,516
1970-71	1,957	321	1,636
1971-72	2,133	400	1,733
1972-73 (Est.)	2,279	401	1,878

*Average student charges at 20 AICCU institutions with largest number of State Scholarship students. Median student charge for all AICCU institutions is estimated to be about \$100 less.

**Average of University of California and State University and Colleges student charges.

Source of Data: 1972 Statistical Profile, Independent Colleges and Universities, August 1972, p. 60.

TABLE 33

STATE SCHOLARSHIP AWARDS AND AVERAGE
TUITION AND FEE CHARGE IN 20 INDEPENDENT
INSTITUTIONS WITH THE LARGEST NUMBER OF
SCHOLARSHIP AWARD WINNERS

	Average Amount of State Scholarship Grant to Student in Indep. Instit.	Average Tuition & Fee Charge in the 20 Institutions	Percentage of Tuition & Fee Covered by Scholarship Grant
1956-57	582	620	93.9
1961-62	773	989	78.2
1966-67	1,117	1,390	80.4
1967-68	1,132	1,490	76.0
1968-69	1,211	1,630	74.3
1969-70	1,462	1,758	83.2
1970-71	1,470	1,907	77.1
1971-72	1,491	2,133	69.9
1972-73	1,541 (Est.)	2,280	72.01 (Est.)

Source of Data: 1972 Statistical Profile, Independent Colleges and Universities, August 1972, p. 60.

Why should the state be concerned about the high tuitions and costs of the independent institutions? First of all, the high costs limit the choice of institutions for an increasing number of students by financial rather than educational or academic reasons. Secondly, the total system of higher education in California seems rather delicate, and differences in costs, even where the difference is a matter of a few hundred dollars, can shift students from one institution or segment to another. Without question the high costs of the independent institutions are diverting more students to lower cost, and in some cases higher quality, public institutions with a net increase in the cost to the state.

It is possible to narrow, if not close, the "tuition gap" and to narrow the cost differentials between public and private institutions. Some options are discussed in Chapter VI of this report, along with some of the educational and political advantages and disadvantages of each.

Ability of Students and Their Parents to Meet the Costs

Ability to pay and willingness to pay are obviously different, often vastly different, questions or assumptions. However, ability to pay lends itself to reasonably objective assessment, whereas willingness to pay does not. Ability to pay, particularly for undergraduate education at private colleges and universities, largely depends upon the income level of the student's parents and the resulting ability to contribute to the educational expenses of their son or daughter.

During 1972 the College Entrance Examination Board conducted a massive California Student Resource Survey for the California State Scholarship and Loan Commission. Over 160,000 students from all four segments of higher education in California provided extensive data about themselves and their families, their educational plans, and how they finance their education. This detailed report will be issued shortly by the Scholarship Commission, and most of the Survey's findings bear more directly on the issue of financing higher education in California. Another paper for the Joint Committee on the Master Plan is devoted specifically to that topic, and the writers of that paper also have data from the CEEB conducted survey.

The following Table 34 shows the Average Family Income by segment of higher education in California as reported by the 160,000 students in the 1972 Student Resource Survey. The median 1971 income of the parents or legal guardians of students in the total sample ranged from \$12,000 to \$14,999. The Average Family Income for the students from independent institutions providing data for the Student Resource Survey for 1971 was \$15,650.

TABLE 34
AVERAGE FAMILY INCOME FOR 1971 BY SEGMENT
OF CALIFORNIA HIGHER EDUCATION

Segment	Average Family Income
Independent Colleges & Universities	\$15,650
University of California	15,160
California State Univ. & Colleges	12,330
California Community Colleges	11,420

Source of Data: California Student Resource Survey 1972, draft copy, provided by Arthur S. Marmaduke, Director, State Scholarship and Loan Commission, September 28, 1972.

What does family income mean in terms of ability to pay? What is a reasonable expectation for a student's education at a California independent college or university with an average family income of \$15,650?

The College Scholarship Service (CSS) of the College Entrance Examination Board (CEEB) provides the financial need analysis service which the California State Scholarship and Loan Commission, as well as most of California's colleges and universities, utilize in determining a scholarship applicant's need for financial aid. The College Scholarship Service has elaborate, equitable, and reasonable means of determining what resources a student and his or her family can be reasonably expected to provide for his or her higher education. There are also a number of assumptions made in determining need. For example, men are expected to contribute \$400 and women \$300 in prefreshman summer earnings for his or her total educational expenses the subsequent academic year. For families, with exception of those with considerable savings or other assets, the large parental contribution is typically from income. Table 35, from the College Scholarship Service Manual for Financial Aid Officers (1971 Revision), shows what CSS expects parents to be able to contribute from net income, before federal tax, where there are no financial complications requiring special allowances against income.

TABLE 35

PARENTS' ABILITY TO PAY FROM INCOME BY SIZE OF FAMILY

Table A Note: Use this table only when there are no financial complications requiring special allowances against income. When there are such complications use Table E.

Total parents' contribution from net income by size of family*

Net income (before federal tax)	Number of dependent children									
	1	2	3	4	5	6	7	8	9	10
\$ 1,875- 2,124	\$-500	\$-500	\$-500	\$-500	\$-500	\$-500	\$-500	\$-500	\$-500	\$-500
2,125- 2,374	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500
2,375- 2,624	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500
2,625- 2,874	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500
2,875- 3,124	-500	-500	-500	-500	-500	-500	-500	-500	-500	-500
3,125- 3,374	-480	-500	-500	-500	-500	-500	-500	-500	-500	-500
3,375- 3,624	-410	-500	-500	-500	-500	-500	-500	-500	-500	-500
3,625- 3,874	-340	-470	-500	-500	-500	-500	-500	-500	-500	-500
3,875- 4,124	-270	-420	-500	-500	-500	-500	-500	-500	-500	-500
4,125- 4,374	-200	-360	-460	-500	-500	-500	-500	-500	-500	-500
4,375- 4,624	-130	-300	-410	-500	-500	-500	-500	-500	-500	-500
4,625- 4,874	-60	-240	-360	-470	-500	-500	-500	-500	-500	-500
4,875- 5,124		-180	-310	-420	-490	-500	-500	-500	-500	-500
5,125- 5,374	70	-120	-260	-370	-440	-500	-500	-500	-500	-500
5,375- 5,624	140	-60	-210	-330	-390	-450	-480	-490	-500	-500
5,625- 5,874	210		-160	-280	-340	-400	-430	-450	-500	-500
5,875- 6,124	280	50	-110	-230	-290	-360	-390	-410	-460	-460
6,125- 6,374	350	100	-60	-190	-250	-310	-340	-360	-410	-420
6,375- 6,624	410	160	-10	-140	-210	-260	-300	-320	-370	-380
6,625- 6,874	480	220	30	-100	-160	-220	-250	-280	-330	-340
6,875- 7,124	550	280	80	-50	-120	-180	-210	-240	-290	-300
7,125- 7,374	620	340	130	-10	-70	-140	-160	-190	-240	-260
7,375- 7,624	690	390	180	30	-30	-90	-120	-150	-200	-220
7,625- 7,874	750	450	230	80		-50	-80	-110	-160	-180
7,875- 8,124	820	510	280	120	50	-10	-40	-70	-120	-140
8,125- 8,374	890	560	330	170	90	20		-30	-70	-100
8,375- 8,624	950	620	370	210	130	60	30		-30	-60
8,625- 8,874	1,020	680	420	260	180	100	70	40		-20
8,875- 9,124	1,080	730	470	300	220	150	110	80	40	20
9,125- 9,374	1,130	790	520	350	260	190	150	110	80	60
9,375- 9,624	1,180	850	570	390	310	230	190	150	120	100
9,625- 9,874	1,240	900	620	420	350	270	230	190	160	140
9,875- 10,124	1,290	960	660	480	390	310	260	230	190	170
10,125- 10,374	1,350	1,020	710	520	430	350	300	260	230	210
10,375- 10,624	1,410	1,070	760	570	480	390	340	300	270	240
10,625- 10,874	1,470	1,120	810	610	520	430	380	340	300	280

* The figures given for expected parents' contribution are values at the midpoint of the ranges of "net" income. "Net" income in all the tables in Appendix B is defined by the use as total family income minus unreimbursed business expenses but before federal tax. The minus sign before a figure indicates a "negative contribution" (see Chapter 23 for explanation). Contributions are based on the 1972 tax table for parents who file a joint return.

TABLE 35 (CONTD)

Table A (continued)

Total parents' contribution from net income by size of family

Net income (before federal tax)	Number of dependent children									
	1	2	3	4	5	6	7	8	9	10
\$10,875- \$11,124	\$1,530	\$1,180	\$ 860	\$ 650	\$ 560	\$ 470	\$ 420	\$ 370	\$ 340	\$ 310
11,125- 11,374	1,590	1,230	900	700	600	510	460	410	380	350
11,375- 11,624	1,660	1,280	950	740	640	550	500	450	420	380
11,625- 11,874	1,730	1,340	1,000	790	690	590	530	480	450	420
11,875- 12,124	1,800	1,400	1,050	830	730	630	570	520	490	450
12,125- 12,374	1,870	1,460	1,100	870	770	670	610	560	530	490
12,375- 12,624	1,940	1,520	1,160	920	810	710	650	590	560	520
12,625- 12,874	2,020	1,580	1,210	960	850	750	690	630	600	550
12,875- 13,124	2,100	1,650	1,260	1,010	890	790	720	660	630	590
13,125- 13,374	2,180	1,710	1,320	1,050	940	830	760	700	670	620
13,375- 13,624	2,260	1,780	1,380	1,100	980	870	800	740	710	660
13,625- 13,874	2,350	1,850	1,440	1,160	1,020	910	840	770	740	690
13,875- 14,124	2,440	1,920	1,490	1,210	1,060	950	870	810	780	730
14,125- 14,374	2,540	2,000	1,550	1,260	1,120	990	910	840	810	760
14,375- 14,624	2,630	2,080	1,620	1,310	1,170	1,030	950	880	850	790
14,625- 14,874	2,720	2,160	1,680	1,370	1,220	1,070	980	910	880	830
14,875- 15,124	2,810	2,240	1,750	1,420	1,270	1,120	1,020	950	920	860
15,125- 15,374	2,920	2,310	1,820	1,480	1,320	1,170	1,060	980	950	890
15,375- 15,624	3,030	2,400	1,880	1,540	1,370	1,220	1,110	1,010	990	920
15,625- 15,874	3,140	2,490	1,950	1,600	1,430	1,270	1,160	1,060	1,020	950
- AICCU average -										
15,875- 16,124	3,240	2,590	2,030	1,660	1,490	1,320	1,210	1,110	1,060	990
16,125- 16,374	3,350	2,680	2,110	1,730	1,540	1,380	1,260	1,160	1,110	1,020
16,375- 16,624	3,450	2,770	2,190	1,790	1,600	1,430	1,310	1,210	1,160	1,070
16,625- 16,874	3,550	2,870	2,270	1,860	1,670	1,490	1,370	1,260	1,210	1,120
16,875- 17,124	3,660	2,980	2,350	1,930	1,740	1,550	1,420	1,310	1,260	1,170
17,125- 17,374	3,760	3,080	2,440	2,010	1,800	1,600	1,480	1,370	1,320	1,220
17,375- 17,624	3,860	3,180	2,530	2,080	1,870	1,670	1,540	1,430	1,370	1,270
17,625- 17,874	3,970	3,280	2,620	2,160	1,930	1,740	1,590	1,480	1,430	1,330
17,875- 18,124	4,070	3,390	2,710	2,240	2,010	1,800	1,660	1,540	1,490	1,390
18,125- 18,374	4,170	3,490	2,800	2,320	2,090	1,870	1,730	1,600	1,550	1,450
18,375- 18,624	4,280	3,590	2,900	2,400	2,170	1,940	1,790	1,660	1,600	1,510
18,625- 18,874	4,380	3,700	3,010	2,490	2,250	2,010	1,860	1,730	1,670	1,570
18,875- 19,124	4,480	3,800	3,110	2,580	2,320	2,090	1,930	1,800	1,740	1,630
19,125- 19,374	4,590	3,900	3,210	2,670	2,410	2,170	2,000	1,860	1,800	1,700
19,375- 19,624	4,690	4,010	3,320	2,760	2,500	2,250	2,080	1,930	1,870	1,760
19,625- 19,874	4,790	4,110	3,420	2,850	2,590	2,320	2,160	2,010	1,940	1,830
19,875- 20,124	4,890	4,210	3,520	2,960	2,670	2,410	2,240	2,090	2,020	1,900
20,125- 20,374	5,000	4,320	3,630	3,060	2,760	2,500	2,310	2,170	2,090	1,980
20,375- 20,624	5,090	4,420	3,730	3,160	2,860	2,580	2,400	2,250	2,170	2,050
20,625- 20,874	5,190	4,520	3,830	3,270	2,960	2,670	2,490	2,320	2,250	2,130

TABLE 35 (CONTD)

Net income (before federal tax)	Number of dependent children									
	1	2	3	4	5	6	7	8	9	10
\$20,875-\$21,124	\$5,290	\$4,620	\$3,930	\$3,370	\$3,060	\$2,760	\$2,580	\$2,420	\$2,330	\$2,210
21,125- 21,374	5,390	4,720	4,040	3,470	3,170	2,860	2,660	2,500	2,420	2,290
21,375- 21,624	5,490	4,820	4,140	3,580	3,270	2,960	2,750	2,590	2,510	2,380
21,625- 21,874	5,590	4,920	4,240	3,680	3,370	3,060	2,850	2,680	2,600	2,470
21,875- 22,124	5,690	5,020	4,340	3,780	3,480	3,170	2,950	2,770	2,690	2,560
22,125- 22,374	5,790	5,120	4,440	3,880	3,580	3,270	3,050	2,870	2,780	2,650
22,375- 22,624	5,890	5,220	4,540	3,980	3,680	3,370	3,160	2,970	2,880	2,740
22,625- 22,874	5,990	5,310	4,640	4,080	3,790	3,480	3,260	3,080	2,980	2,840
22,875- 23,124	6,080	5,410	4,730	4,180	3,890	3,580	3,360	3,180	3,080	2,940
23,125- 23,374	6,180	5,510	4,830	4,280	3,990	3,680	3,470	3,280	3,190	3,050
23,375- 23,624	6,280	5,610	4,930	4,380	4,090	3,780	3,570	3,390	3,290	3,150
23,625- 23,874	6,380	5,710	5,030	4,480	4,180	3,880	3,670	3,490	3,390	3,250
23,875- 24,124	6,480	5,810	5,130	4,580	4,280	3,980	3,770	3,590	3,500	3,360
24,125- 24,374	6,580	5,910	5,230	4,680	4,380	4,080	3,880	3,690	3,600	3,460
24,375- 24,624	6,670	6,010	5,330	4,780	4,480	4,180	3,980	3,800	3,700	3,560
24,625- 24,874	6,760	6,110	5,430	4,870	4,580	4,280	4,080	3,900	3,810	3,670
24,875- 25,124	6,860	6,200	5,530	4,970	4,680	4,380	4,180	4,000	3,910	3,770
25,125- 25,374	6,950	6,290	5,630	5,070	4,780	4,480	4,270	4,100	4,010	3,870
25,375- 25,624	7,040	6,390	5,720	5,170	4,880	4,580	4,370	4,200	4,120	3,980
25,625- 25,874	7,140	6,480	5,820	5,270	4,980	4,680	4,470	4,300	4,220	4,080
25,875- 26,124	7,230	6,580	5,910	5,370	5,080	4,780	4,570	4,400	4,320	4,180
26,125- 26,374	7,320	6,670	6,010	5,470	5,170	4,870	4,670	4,500	4,420	4,280
26,375- 26,624	7,420	6,760	6,100	5,560	5,270	4,970	4,770	4,600	4,520	4,390
26,625- 26,874	7,510	6,860	6,190	5,650	5,370	5,070	4,870	4,700	4,610	4,490
26,875- 27,124	7,600	6,950	6,290	5,750	5,470	5,170	4,970	4,800	4,710	4,580
27,125- 27,374	7,700	7,040	6,380	5,840	5,560	5,270	5,070	4,900	4,810	4,680
27,375- 27,624	7,790	7,140	6,470	5,930	5,660	5,370	5,170	4,990	4,910	4,780
27,625- 27,874	7,890	7,230	6,570	6,030	5,750	5,470	5,260	5,090	5,010	4,880
27,875- 28,124	7,980	7,320	6,660	6,120	5,840	5,560	5,360	5,190	5,110	4,980
28,125- 28,374	8,070	7,420	6,750	6,220	5,940	5,650	5,460	5,290	5,210	5,080
28,375- 28,624	8,160	7,510	6,850	6,310	6,030	5,750	5,560	5,390	5,310	5,180
28,625- 28,874	8,240	7,600	6,940	6,400	6,120	5,840	5,650	5,490	5,410	5,280
28,875- 29,124	8,330	7,690	7,030	6,500	6,220	5,930	5,740	5,590	5,510	5,380
29,125- 29,374	8,420	7,780	7,130	6,590	6,310	6,030	5,840	5,680	5,600	5,480
29,375- 29,624	8,510	7,870	7,220	6,680	6,400	6,120	5,930	5,780	5,700	5,570
29,625- 29,874	8,600	7,960	7,310	6,780	6,500	6,210	6,020	5,870	5,800	5,670

Source of Data: Manual for Financial Aid Officers, 1971, Revision, College Scholarship Service, College Entrance Examination Board, 1971, Table "A", pp. B-3, B-4, B-5.

From the previous CSS table, a family with a net income before taxes of \$15,650, the average for students in California independent colleges and universities in the 1972 Student Resource Survey, should be able to contribute \$3,140 towards higher education if they have only one son or daughter . With two children, a contribution of \$2,490 is expected, and \$1,950 is expected from a family with three children. It should be evident that a family with the average income of present students attending California's independent colleges or universities cannot meet the total education costs even when supplemented by a student's summer earnings.

Even though \$15,650 is the average reported family income for all AICCU institutions participating in the Student Resource Survey, there is significant variation in this median income among these institutions with some having slightly higher average family incomes but many with lower family incomes. Furthermore, if \$15,650 is the average family income, what is the distribution of family incomes for these same students attending California's independent colleges and universities? Table 36 reports the distribution of income of parents of the Student Resource Survey respondents for the AICCU participating institutions and for the other three segments as well.

TABLE 36

1971 INCOME OF PARENTS OF RESPONDENTS
GRADUATES AND UNDERGRADUATES - ALL SEGMENTS

WHAT WAS THE APPROX. 1971 INCOME OF YOUR PARENTS OR LEGAL GUARDIAN?	UNIVERSITY OF CALIFORNIA		CALIFORNIA STATE UNIVERSITY & COLLEGES		INDEPENDENT COLLEGES		COMMUNITY COLLEGES		TOTAL SAMPLE	
	N	%	N	%	N	%	N	%	N	%
LESS THAN \$3,000	4,011	7.3	4,392	11.1	807	7.4	3,652	12.1	12,862	9.5
\$3,000 TO \$5,999	4,390	8.0	3,911	9.9	761	7.0	3,925	13.1	12,987	9.6
\$6,000 TO \$7,499	3,173	5.8	3,092	7.8	618	5.7	2,979	9.9	9,862	7.3
\$7,500 TO \$8,999	3,315	6.0	3,274	8.3	690	6.3	2,724	9.1	10,003	7.4
\$9,000 TO \$11,999	7,365	13.4	6,949	17.6	1,518	13.9	4,814	16.0	20,646	15.2
\$12,000 TO \$14,999	7,539	13.7	6,065	15.3	1,529	14.0	4,259	14.2	19,392	14.3
\$15,000 TO \$17,999	5,687	10.3	3,760	9.5	1,013	9.3	2,502	8.3	12,962	9.6
\$18,000 TO \$20,999	5,169	9.4	2,866	7.3	993	9.1	1,736	5.8	10,766	7.9
\$21,000 TO \$24,999	4,762	8.6	2,023	5.1	832	7.6	1,380	4.6	8,997	6.6
\$25,000 AND ABOVE	9,674	17.6	3,203	8.1	2,148	19.7	2,087	6.9	17,112	12.6

Source of Data: California Student Resource Survey 1972, draft copy provided by Arthur S. Marmaduke,
 Director, State Scholarship and Loan Commission, September 28, 1972.

For all segments, women students reported family incomes slightly higher than men, the largest difference being at the University of California where the average parental income for women exceeded that of men by \$870. The other large difference in incomes was for graduate students at both the AICCU participating institutions and the University of California. The average parental income of graduate students was approximately \$1,000 and \$2,000 respectively below the overall mean incomes. When undergraduate and graduate students are combined, Table 36 indicates that 26.4% of the AICCU students came from families with less than \$9,000 incomes in 1971. By contrast, 27.3% of the AICCU students in the Student Resource Survey report their parents' 1971 incomes to be in excess of \$21,000.

A number of observations can be made from these tables of family incomes. The mean family incomes by segment reflects an academic hierarchy which is also, to a degree, a socio-economic hierarchy. These tables quickly dispel the notion that public higher education, particularly the four-year institutions, are for the "poor but worthy". With 13.2% of the California State University and Colleges and about 26.2% of the University of California students reporting family incomes for 1971 in excess of \$21,000, these students, or their families, can hardly be regarded as "poor", however worthy. More will be said about this in the next chapter dealing with policy options available to the state.

Deficits in California's Independent Institutions

Another factor which could limit full utilization of California's private colleges and universities, is the operating deficits which nearly half of the AICCU institutions now incur. Besides the problem of too rapidly rising tuitions, and the problem of the "tuition gap" or cost differential between the private and public institutions, many private institutions are unable to balance operating incomes and expenditures. This is true despite substantial reductions in educational expenditures and other efforts to effect economies.

Since 1968-69, there has been a dramatic swing from a surplus in operating funds for all AICCU institutions to large total deficits with nearly half of the AICCU experiencing deficits in 1970-71. The following Table 37 reflects the operating deficits by AICCU institutions since 1968.

TABLE 37
OPERATING DEFICITS BY AICCU INSTITUTIONS

	1968-69	1969-70	1970-71
Total Deficits:	\$2-1/2 Million Surplus	\$7 Million Deficit	\$6 Million Deficit
No. of AICCU Institutions with Operating Deficits:	26	29	23

Source of Data: 1972 Statistical Profile, AICCU.

The slightly more favorable financial picture for 1970-71 was due almost entirely to a turn-around in Group IV of the AICCU institutions, those eleven colleges with less than \$4 million in endowment and with enrollment of over 800 students. During 1969-70, seven out of these eleven institutions had operating deficits, but only three had deficits in 1970-71. In the same one-year span, these eleven colleges went from an aggregate deficit of \$78,000 to a \$1.3 million surplus in 1970-71.

Of course, the main reason for these operational deficits is that educational income is not increasing as fast as educational expenditures. Between 1968-69 to 1969-70, the increase in educational expenditures for all AICCU institutions was 11.3% and a year later this increase was reduced to 7.4% from 1969-70 to 1970-71. At the same time and for the same years educational income per FTE increased by only 7.7% and 8.2% respectively.

During 1970-71, three of the four universities in the AICCU "Group I" experienced deficits, ranging from \$396,000 to \$2,912,000. These deficits per FTE ranged from \$91 to a massive \$1,938 per FTE student. During the same year, four of the seven "Group II" universities had deficits ranging from \$172,000 to \$898,000. These deficits per FTE student ranged from \$32 to \$181.

Also in 1970-71, four of the nine more highly endowed colleges in Group III also experienced deficits, ranging from \$5,000 to \$353,000, or \$13 to \$280 deficit per FTE student. Only three of the eleven larger, but less highly endowed colleges in Group IV, as already mentioned, had deficits in 1970-71, ranging from \$62,000 to \$222,000, or \$54 to \$403 deficit per student.

Half of the smaller colleges, that is those with less than 800 students, in AICCU Group V had operating deficits in 1970-71, with five of the ten going into the red. Their deficits ranged from \$26,000 to

\$344,000, or \$41 to a large \$2,000 per FTE student. Just four of the nine "specialized institutions" in AICCU Group VI experienced deficits ranging from only \$38,000 to \$162,000, or \$16 to \$403 deficit per FTE student.

Way back in 1933, Stanford President Ray Lyman Wilbur made the following statement:

"Universities make their greatest advances when they have new money or no money. New money gives the opportunity to accept the many opportunities that are ever in front of university men. No money requires the most careful analysis of existing plans and programs and permits a certain amount of pruning which is a recurring necessity".⁶

This may be true, or at least true in part for a complex, multi-purpose private university. However, many of California's independent colleges and universities cannot afford to "prune" very far without being pruned out of existence. Institution vitality, like quality, is difficult to define and impossible to measure. But most educators agree that severe deficits will gravely hamper an institution's vitality and in the immediate future result in weakening of educational programs.

Costs per Student

One way of cutting back or "pruning" is to reduce expenditures. Budgets can obviously be balanced and deficits eliminated by either increasing income or decreasing expenditures. Logical questions to ask are; how fully are the independent institutions being utilized in terms of what they spend per student and can further economies be affected? Another critical consideration here is that all dollars spent by independent institutions, per student, regardless of whether too many or too few, are dollars that the public institutions and the state does not have to spend for the same purpose. Table 38 shows the educational expenditures per full-time equivalent student, for a number of categories of expenditures, for all AICCU institutions and for each AICCU group of institutions.

TABLE 38

ANNUAL PERCENTAGE OF INCREASE IN EDUCATIONAL
EXPENDITURES PER FTE FOR ALL AICCU INSTITUTIONS
AND FOR THE SIX GROUPS OF INSTITUTIONS

	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>% Inc. 68-69 to 69-70</u>	<u>% Inc. 69-70 to 70-71</u>
<u>Total Educational Expenditures Per FTE</u>					
Group I	4,885	5,321	6,265	8.9	17.7
Group II	2,085	2,481	2,509	19.0	1.2
Group III	2,829	3,103	3,273	9.7	5.5
Group IV	1,900	2,153	2,240	13.3	4.0
Group V	2,053	2,281	2,441	11.1	7.0
Group VI	1,158	1,302	1,460	12.4	12.1
All Groups	3,018	3,360	3,610	11.3	7.4
<u>Administration & General Per FTE</u>					
Group I	620	733	862	18.2	17.6
Group II	390	431	438	10.5	1.6
Group III	785	839	861	6.9	2.2
Group IV	544	634	581	16.5	-8.4
Group V	600	688	730	14.7	6.1
Group VI	362	400	458	10.5	14.5
All Groups	546	622	655	13.9	5.3
<u>Instruction Per FTE</u>					
Group I	2,789	3,006	3,523	7.8	17.2
Group II	1,044	1,215	1,227	16.4	1.0
Group III	1,243	1,367	1,405	10.0	2.8
Group IV	856	962	1,115	12.4	15.9
Group V	906	1,011	1,082	11.6	7.0
Group VI	550	619	680	12.5	9.9

TABLE 38 (CONTD)

	<u>1968-69</u>	<u>1969-70</u>	<u>1970-71</u>	<u>% Inc. 68-69 to 69-70</u>	<u>% Inc. 69-70 to 70-71</u>
<u>Library Per FTE</u>					
Group I	274	280	325	2.2	16.1
Group II	113	131	130	15.9	-0.8
Group III	120	138	151	15.0	9.4
Group IV	82	92	91	12.2	-1.1
Group V	98	104	107	6.1	2.9
Group VI	40	46	60	15.0	30.4
All Groups	157	168	179	7.0	6.5
<u>Student Aid Per FTE</u>					
Group I	603	643	733	6.6	14.0
Group II	203	262	270	29.1	3.1
Group III	281	325	378	15.7	16.3
Group IV	184	204	185	10.9	-9.3
Group V	218	230	256	5.5	11.3
Group VI	44	50	63	13.6	26.0
All Groups	333	370	392	11.1	5.9

Source of Data: AICCU Statistical Profile, 1972.

For 1970-71 the total expenditure per student ranged from a low of \$1,460 for the specialized institutions in Group VI to a high of \$6,265 in Group I (Stanford, USC, Cal Tech, and the Claremont University Center). The average for all institutions for 1970-71 was \$3,610 per student. With the exception of those four institutions in Group I, the largest average expenditure per student in 1970-71 was \$3,273 for the more highly endowed colleges in Group III.

Expenditures specifically for instruction ranged from \$680 in the specialized institutions to \$3,523 in the four Group I institutions, with an average for all institutions of \$1,878. The expenditures for "Administration and General" seem to reflect both economies of scale and relative affluence. The large universities in Group II, those without substantial

graduate enrollment or Ph.D. programs (and only one medical school) have the lowest expenditure for administration per student in 1970-71 of \$438 per student. The four complex institutions in Group I, the more highly endowed colleges in Group III, and the very small (under 800 enrollment) colleges of Group V, have the largest expenditures per student in this area. Size seems to decrease expenditures per student in this area, but only if there is less money overall to spend!

The state should be concerned about the rather low expenditures for libraries per FTE by all but Group I institutions, and should show alarm for student aid expenditures per FTE, which show a decline of 9.3% between 1969-70 and 1970-71 for the eleven larger but less well endowed colleges in Group IV.

Comparison of Private and Public Costs per Student

Legislators at both the Federal and State levels are of the opinion that there must be educational administrators devoting their full-time, as well as all of their energy and imagination, to disguising, if not actually hiding, the real educational costs per student!

The new Federal Higher Education Amendments of 1972 establish a National Commission on the Financing of Postsecondary Education. One of the more difficult, and unenviable, tasks of this Commission will be to suggest "national uniform standards for determining the annual per student costs of providing postsecondary education for students in attendance at various types and classes of institutions of higher education".⁷

The frustration of the Congress, and the Federal government in general, is certainly shared by those professional economists who have attempted to study and compare expenditures per student at various colleges and universities. Anyone who seriously attempts to do so is skating on thin ice.

During 1969 the California Coordinating Council for Higher Education commissioned an extensive study on Alternative Methods of State Support for Independent Higher Education in California, which was completed by two well-known educational economists, Professor Henry M. Levin of Stanford and Jack W. Osman of San Francisco State College. One of the Coordinating Council's fundamental questions was the following:⁸

How can public funds be used to stimulate increases in enrollment at private colleges at less cost per enrollee to the State than that incurred in public institutions?

Obviously to answer that question, Levin and Osman had to attempt to determine what "cost per enrollee" was being "incurred" in the state's colleges and universities, public and private. The authors ventured on this thin ice, and some critics might say the ice cracked. In one appendix to one chapter Levin and Osman provide their estimate of expenditures per full-time student in the various segments of California higher education.

The Levin-Osman study was sent to a number of noted economists including Howard Bowen of the Claremont Graduate School, and Allan Cartter of New York University. Cartter took issue with Levin and Osman's estimates of cost per student and generated his own estimates from Levin and Osman's data. Cartter thought that "to the uninitiated some of the figures (in the Levin and Osman estimates of costs per student) would look shocking and make many institutions appear to be 'fat cats'".⁹

Cartter took out Federal grant funds since he thought that they would be about 90% for contract research. He felt his estimates were "more realistic". Furthermore, Cartter felt that if the University of California and the Group I AICCU institutions "were adjusted to allow for the enrollment mix, they would probably both be about \$2,000 for an undergraduate".¹⁰

The following table reflects both the Levin-Osman and the Cartter estimates of cost per students:

TABLE 39

EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT IN CALIFORNIA
INSTITUTIONS OF HIGHER EDUCATION: 1966-67 IN CURRENT DOLLARS

<u>Public Institutions</u>	<u>Levin-Osman Estimates</u>		<u>Cartter Estimate Total</u>
	<u>Operating Expense</u>	<u>Total</u>	
Univ. of California	\$2,609	\$6,251	\$2,896
State Univ. and Colleges	1,752	2,609	2,850
<u>Independent Institutions</u>			
Group I	7,392	8,995	2,630
Group II	3,061	4,345	2,200
Group III	4,113	5,577	1,709
Group IV	3,159	3,919	1,526
Group V	2,697	4,450	1,339

Source of Data: Henry M. Levin & Jack W. Osman, Alternative Methods of State Support for Independent Higher Education in California, Coordinating Council for Higher Education, Sacramento, February 1970, p. 93; and Allan M. Cartter, "Comments on Levin-Osman Report", to Coordinating Council for Higher Education, January 19, 1970, p. 5. (At the time of this study, AICCU divided its institutions into five groups rather than six for analytical purposes.)

More recently the Coordinating Council on Higher Education has completed a timely report, The Costs of Instruction in California Public Higher Education. While this report concerns only public higher education, it does provide some limited data which can be cautiously compared with the 1970-71 AICCU data in Table 39.

TABLE 40

COST PER FULL-TIME EQUIVALENT STUDENT (FTE)
BY TYPE OF FUND AND LEVEL OF STUDENT, 1970-71 FISCAL YEAR

	<u>Total</u>	<u>Lower Div.</u>	<u>Level of Student</u>		
			<u>Upper Div.</u>	<u>Grad. 1</u>	<u>Grad. 2</u>
<u>University of California</u>					
<u>Instruction</u>					
State General Fund Only	\$1,979	\$1,256	\$1,627	\$3,165	\$4,017
Total General Fund	2,161	1,372	1,778	3,457	4,388
All Funds	3,305	2,226	2,756	5,099	6,417
<u>California State University</u>					
<u>and Colleges</u>					
<u>Instruction</u>					
State General Fund Only	\$1,545	\$1,240	\$1,537	\$3,498	\$14,924
State General Fund Plus Reimbursements	1,868	1,500	1,859	4,230	14,924
All Funds	2,248	1,804	2,237	5,090	14,924

Source of Data: The Costs of Instruction in California Public Higher Education, a report prepared by the Coordinating Council for Higher Education, Council Report 72-5, October 1972, pp. 40 and 48.

By combining the data from the AICCU institutions for 1970 and 1971, and that for the four-year public segments from the recent Coordinating Council Report, some crude comparisons of costs per student can be drawn. As Allan Cartter pointed out, both the University of California and the AICCU Group I institutions enroll a high percentage of graduate and professional students with a resulting enrollment mix of higher cost programs. Except for AICCU Group I, it does appear that costs per student are greater for both four-year public segments than any of the other AICCU groups of independent institutions.

TABLE 41

COMPARISONS OF TOTAL EXPENDITURES PER FULL-TIME-EQUIVALENT
STUDENT AT FOUR-YEAR PUBLIC AND AICCU INSTITUTIONS, FOR 1970-71

	<u>Cost Per Student, 1970-71</u>
University of California	\$ 3,305
California State University & Colleges	2,248
AICCU Institutions - All Groups	3,610
Group I	6,265
Group II	2,509
Group III	3,273
Group IV	2,240
Group V	2,441
Group VI	1,460

Source of Data: Tables 38 and 40.

SUMMARY

The independent colleges and universities could be more fully utilized but there are a number of needs which must be met in order to achieve this goal.

First of all, the private institutions could, and would like to, accommodate more students. There is some apprehension that the absolute number of students which they now serve does not decline. Ideally, these institutions would like, and are able, to accommodate their present "share of the market".

Perhaps more importantly, their quality and vitality is also being eroded. Declines in the numbers of students served and, perhaps, the quality and social-economic diversity of the students seeking admission, prevents these institutions from being all that they are capable of becoming.

Lastly, the financial plight of many of the independent institutions further lessens full utilization of their resources, both quantitative and qualitative. The cost differential between public and private institutions continues to limit freedom of choice by students as does the very high tuition charges at many of these institutions. Many appear to be pricing themselves out of the market, to coin a phrase, with a smaller and smaller percentage of the population able and willing to meet this cost. At the same time, large numbers of students from the upper income groups are choosing to attend low-tuition and no-tuition public institutions in California.

These factors have led to substantial operating deficits at a number of California's independent colleges and universities. While struggling with these problems and while confronting a bleak financial future, these institutions cannot be fully utilized. New alternatives must be explored, and existing policies and programs expanded, before full potential can be more nearly reached.

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2. AICCU memorandum and questionnaire, "Space for Additional Students", March 27, 1972.
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4. AICCU, 1972 Statistical Profile.
5. Ibid.
6. Edith R. Minieles, Stanford: The Story of a University (New York: G. P. Putman & Sons, 1959), p.222.
7. Education Amendments of 1972, Conference Report, No. 92--798, 92nd Congress, 2nd Session, pp. 50-51.
8. Henry M. Levin and Jack W. Osman, Alternative Methods of State Support for Independent Higher Education in California, Coordinating Council for Higher Education, Sacramento, February 1970, p. 1.
9. Allan M. Cartter, "Comments on Levin-Osman Report", to Coordinating Council for Higher Education, January 19, 1970, p.5.
10. Ibid.

CHAPTER VI

POLICY ALTERNATIVES AVAILABLE TO THE LEGISLATURE

One option the California Legislature has is to continue doing what it has been doing. With no criticism intended, the Legislature in California has been largely a "reactive" body (not reactionary!). It seems to function by reacting to pressures and proposals either by taking positive action, rejecting, or just ignoring specific proposals and bills that come before it. This past year was pretty typical with no less than four hundred (400!) bills concerning higher education introduced in the Legislature. The Joint Committee on the Master Plan itself is one positive response to such a bill in previous years. Even its proposals and ultimate recommendations may be positively acted upon, rejected, or simply ignored. (Whatever happened to the recommendations of the former Joint Committee on Higher Education?)

This is not intended to sound cynical or unduly pessimistic, but simply to place "policy alternatives" in some kind of realistic perspective. Problems in California's system of higher education seem to be generally well known, if not completely understood by legislators; but solutions to these problems, because of political, economic, and even educational considerations, are difficult to come by. The most important consideration here is that the Legislature does have policy options, and a great many of them.

This chapter is going to briefly consider the critical issues confronting the State and independent institutions, alternative motives for state assistance, and legal barriers to some alternatives before discussing in some detail specific policy alternatives, with educational and political advantages and disadvantages of each.

The Issues

From the point of view of California's independent colleges and universities, the key issue is how they best can maintain their present degree of independence and institutional autonomy. Perhaps the second most important issue is how can these institutions best serve students and society while at the same time maintaining, or even regaining, fiscal solvency. Fiscal solvency is, in the end, directly related to preserving the vitality and quality of these institutions and, in some cases, assuring their very survival.

From the point of view of the Legislature, perhaps the key issue is how best to serve the public interest. The State Legislature is the largest single patron of higher education, particularly public; and it continually confronts the dilemma of to what degree and by what form should it, the Legislature, subsidize higher education, public and private, in California? Beyond this fundamental issue, there are the other questions of how best to coordinate the sundry systems, institutions, and programs

of higher education; how to effect economies wherever possible and appropriate, and how, or to what degree, to expect accountability for the expenditures of public funds. These are some of the more important issues, from both sides, which provide the backdrop for the consideration of policy alternatives.

Possible Motives

Hopefully all legislation has some rational purpose. Purposes can sometimes be clearly stated and equally understood, but often the real purposes of legislation are not clearly stated and thus not well understood, at least by the general public. Often the real purposes of legislation are indirect in the form of hoped for outcomes of a particular program or law. Not a few times are the real motives actually sub rosa. It is possible to enumerate a wide variety of motives the State Legislature may or may not have before considering specific policy alternatives and programs. The following lists of alternative motives are divided into three groups: motives relating to governance, motives relating to aiding students, and motives relating to assisting institutions. There is, obviously, some overlap among these three rather arbitrary lists.

Motives Relating to Chartering, Governance, and Control

1. Maintain the existing degree of autonomy of independent institutions.
2. Encourage greater participation in the State's total higher education enterprise through new institutions, expansion of existing colleges and programs, etc.
3. Encourage greater utilization of existing facilities and institutions.
4. Prevent undue proliferation of programs, efforts, facilities, and expenditures.
5. Protect the public from charlatans.
6. Prevent the emergence of "degree mills" or "diploma mills".
7. Encourage, or even mandate, greater coordination between institutions and/or segments of higher education.
8. Establish and maintain institutional quality and/or program standards.

Motives Relating to Aiding Students

1. Avoidance of the issue of the separation of church and state.
2. Encourage more high ability students to attend college.

3. Encourage more "disadvantaged" students to attend college.
4. Encourage students to enter specific academic, educational, or vocational areas where there is believed to be a particularly great social need, such as the health professions.
5. Expand a student's "freedom of choice" to attend either a public or private college or university.
6. Permit students to select an institution because of its academic or educational program rather than because of its cost.
7. Divert students from public to private institutions.
8. Encourage greater social-economic diversity of students at all or high-cost institutions.
9. Supplement other forms of financial assistance, including private money.
10. Eliminate financial barriers for students to attend any college or university.
11. Encourage independent institutions to maintain existing enrollments.
12. Effect savings, overall, of tax expenditures (public funds) for all higher education in the State.
13. Provide indirect financial assistance to institutions via the students.
14. Encourage the "free market" principle.
15. Prevent a decline in private philanthropy to independent institutions by providing public funds via the student.

Motives Relating to Assisting Institutions Directly

1. Support the general welfare of society.
2. Maintain, or increase, the quality and vitality of existing institutions.
3. Encourage enrollment growth overall through a "supply subsidy".
4. Encourage enrollment growth for specific kinds of students and specific kinds of academic, educational, or vocational programs.
5. Assist with the construction of facilities to encourage enrollment growth or to help maintain existing enrollment.

6. Contract for research, services, programs, and student places not available, or not attainable at the same cost, at public institutions.
7. Alleviate financial difficulties of independent institutions.
8. Alleviate financial difficulties by reducing or eliminating various taxes and some forms of interest paid by institutions.
9. Provide support for institutions to attract, and keep, highly qualified faculty.
10. Stimulate, rather than discourage, greater private giving to independent institutions through matching grants, etc.
11. Permit, or at least extend, the survival of threatened independent institutions.
12. Effect tax savings by not having to establish new or to expand existing public institutions to accommodate students served by existing independent institutions.
13. Establish and maintain some form of direct accountability of state funds provided in a direct, rather than indirect, manner.

These three lists of various motives the State might have are hardly exhaustive. Specific policy alternatives may or may not address themselves to these motives for state assistance. Existing legal barriers limit and thus affect these options. Two important legal barriers must be considered; namely, the existing prohibition in the current California Constitution and the issue of separation of church and state.

Constitutional Prohibition

No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

Constitution of California
Article IX, Section 8

Only qualified legal opinion can determine what can or cannot be done under the above prohibition contained in the California Constitution. It obviously limits the options which can be considered and implemented by the State. Only the Courts, in the end, can determine whether or not a specific program of policy option is or is not constitutional. There are those who believe that the existing program of State contracts with

California's three independent medical schools does not violate the terms of Section 8 of Article IX. The supposition here is that a "contract" to increase enrollments is not the same thing as appropriating money "for the support of. . .any school not under the exclusive control of the officers of the public schools". Because of the obvious merit and public purpose of the medical school contract program, there is little reason to believe that its constitutionality will ever be challenged.

The problem is not with the word "schools" since elsewhere in the Constitution "school" is defined as all schools up through collegiate grade, including the California State University and Colleges, but not including the University of California. So ever since 1879, now almost a century, this prohibition has remained intact in the Constitution despite almost four hundred amendments.

Although this section of Article IX has remained unchanged for almost a century, it certainly has not gone unnoticed. Within the past ten years there has been a great deal of attention, almost countless man-hours, and not a few dollars focused on this one complex sentence of the Constitution. The cast of characters directly involved with Section 8 of Article IX in the past ten years includes: the AICCU, the Coordinating Council for Higher Education, the California Constitution Revision Commission, the Office of the Governor, the Department of Finance, the former Joint Committee on Higher Education, as well as the Assembly and Senate of the Legislature.

As early as 1958 the AICCU formed a "Committee on State Impact on Private Education" to "review the subject of State government assistance to private education at the college level". On a different front, Clark Kerr in January of 1964, while still President of the University, suggested that the Coordinating Council "might give particular study to the problems of the independent institutions and ways in which the State might cooperate in their development".¹ AICCU leaders discussed Kerr's suggestion with Assemblyman Jesse Unruh. It was recalled that Mr. Unruh said at that time (February of 1964) that "inasmuch as it is not possible under the State Constitution to make gifts or grants to them, consideration is being given to contractual arrangements for carrying a part of the increasing college enrollments".² So eight years later we now have the Medical School Contract program. Assemblyman Unruh also said in February 1964 that he was of the opinion that "costs (per students) were lower in the independent institutions than in the public institutions".³ Table 41 gives some support to that notion.

During that same year, in October of 1964, William Honig in the Department of Finance called the AICCU to inquire how the State might assist private colleges and universities. In response to Honig's inquiry, the AICCU suggested expansion of the State Scholarship Program, the introduction of a State Graduate Fellowship Program, exploration of contracts for additional students, exploration of tuition tax credits, and an "exploration of a constitutional amendment in due time to enable the State to make capital grants to private institutions".⁴

Joint Committee on Higher Education

In 1965 the Legislature created the Joint Committee on Higher Education in the wake of the turmoil at Berkeley in 1964. In preparing its reports, this Joint Committee extensively utilized the service of Alfred W. Baxter and his consulting firm, Baxter, McDonald and Company. Baxter became aware of the constitutional prohibition in Section 8 of Article IX while working, at this same time, on another report on "The Costs of Medical Education" for another Assembly Committee. Baxter urged the elimination of the prohibition through correspondence with Assemblyman Unruh and Judge Bruce Sumner, Chairman of the Constitutional Revision Commission, then just beginning its work on Article IX.

The Joint Committee issued its initial report to the Legislature in February 1968. Besides coming out squarely opposed to tuition charges in the public institutions, this report, known as The Academic State, made a number of policy recommendations concerning independent higher education and a revision of Article IX. The report mentioned the State's needs "in costly fields such as medical training" and suggested that the time was appropriate to explore the arguments for and against revising the Constitution. The Joint Committee also rejected the argument for tuition in the public institutions as a means of providing indirect aid to private institutions.

"The obvious and logical way to aid California's private colleges and universities is not by indirect measures such as public tuition or increases in the state scholarships but by direct subventions to those institutions under applicable planning and budgetary procedures".⁵

The Joint Committee tended to oppose indirect means of state assistance to independent colleges and universities because they "provide no clear measure of their effectiveness". The Academic State concluded that "there may be great potential value and no substantial disadvantages associated with a reconsideration of those portions of the Constitution which currently forbid any public monies to be appropriated to or through private institutions".⁶

The Joint Committee's final report, The Challenge of Achievement, issued in February of 1969, put into more formal form its proposal for a constitutional revision:

"That the Legislature initiate a revision of the California Constitution with the object of putting the State in a legal position to consider providing financial support to non-sectarian programs at private colleges and universities at such time as it may appear useful to do so and under terms and conditions subsequently to be determined".⁷

Constitution Revision Commission

The Joint Committee in its initial report noted "the fortuitous circumstances whereby a Constitution Revision Commission is operating

concurrently and cooperatively with the Joint Committee". The Legislature, during its 1963 session, had established the Constitution Revision Commission with a mandate to provide the Legislature "with facts and recommendations relating to the revision of the Constitution". The Commission submitted its recommendations, including those of Article IX on Education, but deferred action on Section 8 and on Section 9 dealing with the University of California.

The Joint Committee had issued its special report on the role and financing private higher education in December of 1968; and just two months before, the Article IX Committee of the Constitution Revision Commission, in September 1968, began its deliberations on the controversial Section 8. After many meetings of the Article IX Committee, almost countless proposals, amendments, and machinations behind the scenes, the proposed revision of Section 8 came before the Constitution Revision Commission at its meeting in San Francisco in July 1969. The Commission approved, but not without some strong dissent, a revised Article 8: "The Legislature may grant aid to nonprofit institutions of higher education provided that all such aid serve a public, non-sectarian, educational purpose".⁸

The Drafting Committee on Article IX subsequently recommended that Article IX be devoted exclusively to the "Public School System" and that a new Article X on "Higher Education" be created. The Drafting Committee also recommended that the "public aid" proposal become Section 7 of the new Article X. On June 4, 1970, the full Commission adopted the Drafting Committee's recommendation for the new Section 7 of Article X: "The Legislature may provide for aid to nonprofit institutions of higher education but only for a nonsectarian, educational, public purpose".⁹

Other Means of Constitutional Revision

It is safe to say that thus far neither the recommendations of the Joint Committee on the Master Plan nor those of the Constitution Revision Commission pertaining to Article IX have resulted in much discernible action by the Legislature. Even though the Constitution Revision Commission had already made its recommendation, the AICCU began, in late 1969, to seek its own constitutional amendment to Article IX, Section 8. The very earliest that the Commission's "public aid proposal" could have gone on the ballot was 1972, and even that route and timetable was dubious at best. The AICCU thought that the "climate" was right in late 1969 and 1970 to seek their own revision by means of a constitutional amendment placed on the ballot through the approval of the Legislature.

In March of 1970, Assemblyman W. Craig Biddle introduced a bill which became Assembly Constitutional Amendment No. 47, and it would add to the existing Section 8, Article IX the following sentence: "that nothing in this section shall prevent the Legislature from appropriating funds for the purposes set forth in subdivision (7) of Section 21 of Article XIII". Furthermore, ACA 47 would have added the following subdivision (7) to Section 21 of Article XIII, with almost the same wording as recommended by the Constitution Revision Commission.

"The Legislature shall have the power to make appropriations and authorize the use of public money for the purpose of utilizing the services and facilities of nonprofit institutions of higher education, provided that all such actions must serve a public non-sectarian educational purpose".¹⁰

Many legislators and leaders of California's independent colleges and universities will well remember the deliberations surrounding, and the subsequent fate of, ACA 47. After the usual hearings and work by the AICCU, ACA 47, passed through the hard and often tedious legislative process and was passed by the Assembly, by a vote of 56 to 16; but ultimately defeated in the Senate on Friday, August 21, 1970 by a vote of 26 ayes and 12 noes, one vote short of approval.

The AICCU obviously felt strongly about ACA 47 and a constitutional revision at that time. The Association had approved a budget of no less than \$259,850 for a public campaign had ACA 47 gotten on the ballot in 1970. Since that time, the AICCU has come to strongly favor increased State assistance via students which does not necessitate a constitution revision of Article IX, Section 8.

Unless the recommendations of the Constitution Revision Commission come before the Legislature and go before the people as a ballot proposition, it appears that there will be no other active effort to revise Article IX, Section 8. If the independent institutions no longer wish to seek such a revision, who else will? This being the case, the State and the Legislature must continue to live with the existing prohibition of Article IX, Section 8. Therefore the policy options available to the State would appear to be limited by this legal constraint for the predictable future.

Separation of Church and State

Congress shall make no law respecting an establishment of religion, or prohibiting free exercise there of. . .

Constitution of the United States Amendment I

Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the state, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing

in this section shall prevent the Legislature granting aid pursuant to Section 21 of this article.

Constitution of California
Article XIII, Section 24

The "Church-State" issue is not dead, only dormant, even in California. When ACA 47 was being considered in the Assembly in 1970, the question of separation of church and state never came up; but the issue was one of the reasons for the defeat of ACA 47 in the Senate. The California Teachers Association (CTA) was quick to claim credit for the defeat of ACA 47, and the CTA Legislative Letter of August 11, 1970 declared that "CTA and Americans United for Separation of Church and State carried the burden of battle against ACA 47". The latter organization, a southern California based group, appears where and whenever the church-state issue does.

The framers of California's Constitution in 1879 were obviously anxious to prevent the use of public money for sectarian purposes. The former Joint Committee on Higher Education felt that the church-state and private-public distinctions in higher education are no longer equivalent. Said the Joint Committee, "in order to preserve a valid and important distinction between church and state, it is not necessary to maintain a rigid distinction between public and private institutional management or support".¹¹

In the minds of the California Teachers Association, and many other individuals, state assistance to independent colleges and universities becomes involved with the more controversial issue of state assistance to non-public elementary and secondary schools. Robert Berdahl, writing on the same question, summarized the problem:

"in higher education, the issue of church-state relations is perhaps less charged with volatile emotion than it is in elementary and secondary education, but it suffers from a lack of judicial guidelines... Because the situation in higher education is inevitably linked to the more explosive one in the elementary and secondary schools (where attendance is compulsory and younger minds are more vulnerable to "indoctrination"), it suffers from guilt by association".¹²

When the Constitution Revision Commission was considering the revision of Article IX, Section 8, Commissioner John A. Busterud of San Rafael moved to include all nonprofit educational institutions and thus include private elementary and secondary schools with independent colleges and universities to be eligible to receive direct assistance from the Legislature. Commissioner Sol Silverman called this "an explosive question which would face explosive, emotional opposition" by the public despite rational arguments to the contrary. Pat Hyndman, Chairman of the Article IX committee, told the entire Commission that there was "nothing wrong" with Mr. Busterud's logic; but, he concluded,

"it takes a great deal of courage to do what we're proposing to do, but to add what Mr. Busterud proposes would introduce an element of foolhardiness".¹³

It is also somewhat ironic that while the Catholic-related colleges and universities are rapidly becoming some of the more secular of the church-related independent institutions, the emotion-laden nature of state-aid to church-related elementary and secondary schools is particularly intense with respect to Catholic schools.

Federal legislation affecting higher education has been typically drafted to avoid or at least circumvent the issue of separation of church and state. Most Federal programs have been narrowly categorical of purpose or have provided funds directly to students or researchers. One early discussion of this issue noted that "the closer to a program of general assistance a proposal is, the more likely it is to stir up the Church-State controversy".¹⁴

Court decisions thus far seem to indicate that government funds, state or federal, to church-related or sectarian institutions is constitutional so long as the funds serve a secular or non-sectarian purpose. The Maryland court test, the case of The Horace Mann League versus the Board of Public Works of Maryland, felt the central issue was "a question of degree as to how far all religions or a specific religion may be benefited by State Action". The court had to determine both the purposes of the college or university receiving government funds and the purpose of the grant.¹⁵

One strong argument for the revision of both Article IX, Section 8 and Article XIII, Section 24 of the California Constitution, is that in this matter the State Constitution should not be more restrictive than the Federal Constitution. The former Joint Committee on Higher Education noted that the private-public and church-state dichotomies are "not noticeably operative with respect to current federal programs of aid to higher education".¹⁶

The new Federal Higher Education Amendments of 1972, for example, typically make no distinctions among non-public colleges and universities. Each program of assistance does, when appropriate, contain a phrase such as: "the funds received by the institution under this section will not be used for a school or department of divinity or for any religious worship or sectarian activity".¹⁷

While there seems to be less and less apprehension about providing public funds to church-related colleges and universities, particularly among Federal programs of aid to students and institutions in higher education, these prohibitions remain in California's Constitution. These existing prohibitions must, of course, be taken into account in any future legislation affecting California's independent colleges and universities. The legislature may also, at some future time, wish to consider either modifying or eliminating these prohibitions by constitutional amendments and votes of the people.

Options with Existing Constitution

It cannot be overemphasized that only competent legal opinion and the courts can accurately determine what is or is not constitutional, by either the Federal or State Constitutions. Even these opinions vary from each other and can change over time with the evolution of attitudes, social context, and governmental priorities.

Even so, there are a large number of specific policy options available to the Legislature to assist or better utilize California's independent colleges and universities, which are clearly possible within the existing constitution. These options include, but certainly are not limited to, the following policy alternatives:

1. Increase maximum number of State Scholarships.
2. Increase the maximum award of State Scholarships.
3. Increase the maximum number of College Opportunity Grants.
4. Increase the maximum award of the College Opportunity Grants.
5. Increase the maximum number of State Graduate Fellowships.
6. Increase the maximum award of the State Graduate Fellowships.
7. Implementing tuition equalization grants or vouchers.
8. Increasing tuition, or implementing, tuition at the public institutions.
9. Establish or expand contracts for specific kinds of educational services.
10. Provide loans for capital construction.
11. Provide loans for facility improvements.
12. Provide loans for land purchases.
13. Increase tax relief:
 - a. Property tax exemption.
 - b. Income tax remission.
 - c. Tax credits.
 - d. Tax deductions for contributions to higher education.
 - e. Gasoline tax refunds.
 - f. Sales tax exemptions.

Student Aid Options

Alternatives 1 through 6 have the great educational and political advantages in that they provide assistance directly to students and they are

currently operational programs. To increase either the number or maximum awards of State Scholarships would further reward and encourage academic excellence. There may be more political advantages in increasing the number of scholarships since this increases the number of constituents and their families who benefit by the program. To increase either the number or maximum number of College Opportunity Grants would further expand equality of access to higher education by disadvantaged students. The political climate, to this one observer, seems to favor the purposes and motives behind COG, at least at this time. While there is still a considerable and widening gap between the average scholarship award and the total cost to the student to attend many independent colleges and universities, the maximum award is now approaching, or even exceeding, the cost to the state of educating the student at a four-year public institution. Of course, the average scholarship award is not the maximum award, and it is the gap between the average award and tuition in the independent colleges which continues to widen, as in Figure 2.

Despite the size of California's expenditures in these student aid programs, there is some evidence that California's "effort" in supporting student assistance programs lags behind that of many other states. Dollars spent must be considered in terms of the number of people served, or the number of people paying those dollars, in order to obtain any index of "effort" rather than simple expenditures.

Ability of California to Fund these Alternatives

One survey of current state expenditures for undergraduate student aid programs usable at either public or private institutions, indicates that California ranks eleventh among the twenty-two states included in the survey in terms of appropriations per population base. The data from this annual survey by Joseph D. Boyd of the Illinois State Scholarship Commission are contained in Table 42.

TABLE 42

RATIOS OF APPROPRIATIONS FOR UNDERGRADUATE STATE
PROGRAMS OF FINANCIAL AID BASED ON NEED, USABLE
AT EITHER PUBLIC OR PRIVATE COLLEGES, TO 1970
POPULATION, IN DESCENDING ORDER

Rank	State	Total Dollars Appropriated 1972-73	Ratio of 1972-73 Dollars Awarded to 1970 Population
1	Vermont	\$ 2,505,000	\$ 5.63
2	Pennsylvania	60,458,000	5.13
3	Illinois	51,400,000	4.62
4	New York	80,100,000	4.40
5	New Jersey	25,687,467	3.58

TABLE 42 (CONTD)

Rank	State	Total Dollars Appropriated 1972-73	Ratio of 1972-73 Dollars Awarded to 1970 Population
6	Rhode Island	\$ 1,900,000	\$ 2.00
7	Indiana	8,830,884	1.70
8	Michigan	13,826,000	1.56
(9	Iowa	4,235,000	1.50
(9	Ohio	16,000,000	1.50
11	Massachusetts	8,000,000	1.41
12	California	27,828,955	1.39
13	Minnesota	4,700,000	1.24
14	Wisconsin	4,585,000	1.04
15	Maryland	3,263,500	.83
(16	Connecticut	1,697,095	.56
(16	Oregon	1,180,000	.56
18	Kansas	1,147,000	.51
19	Washington	1,680,565	.49
20	Tennessee	1,200,000	.31
21	Texas	3,000,000	.26
22	West Virginia	425,000	.24
23	Florida	860,000	.13
	Totals	\$324,509,466	\$ 2.17

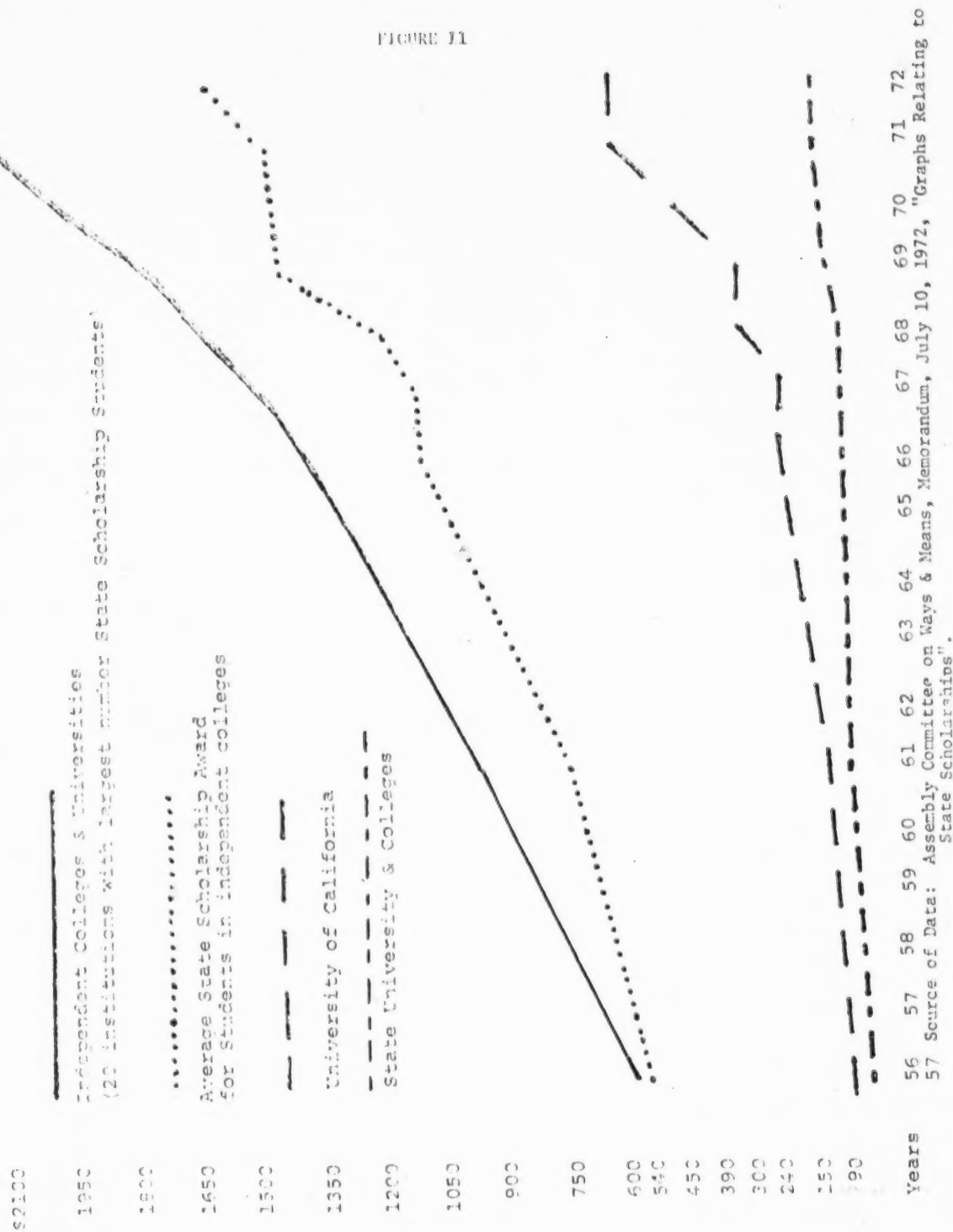
Source of Data: Joseph D. Boyd, 1972-73 Undergraduate Comprehensive State Scholarship Programs, Third Annual Survey, Illinois State Scholarship Commission, September 1972.

Based on this one index of "effort" in terms of student aid programs, there were, at the time of this survey, eleven other states having larger appropriations per population. Four of these states, Vermont, Pennsylvania, New York, and Illinois, spend three times or more per capita of population than does California. It must be pointed out that these states are more heavily dominated by private higher education than is California.

One immediate reaction to Table 42 and the implication that California could be spending more on student aid programs, is that California and the Legislature have chosen to subsidize higher education through other means. The State, being the largest patron of higher education, must decide by what methods and to what degree it wishes to support higher education, public or private, directly or indirectly.

At this point it might be illustrative to point out California's total "effort" in support of higher education in comparison to all other states.

AVERAGE TUTION AMOUNTS
FOR SCHOLARSHIP STUDENTS



56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72
 57 Source of Data: Assembly Committee on Ways & Means, Memorandum, July 10, 1972, "Graphs Relating to State Scholarships".

The following Table 43, compiled by Edric A. Weld, Jr., Assistant Professor of Economics at Cleveland State University, points out the differences in total state expenditures for higher education.

On these indices of effort compiled by Professor Weld, it would appear that California at least has the option of spending more on higher education than it now spends, in comparison to other states. California ranks 26th in per capita expenditures, 28th on expenditures per person of college age, and 41st in terms of expenditures per \$1,000 of personal income. Professor Weld also pointed out that California ranks first in the nation in terms of local government expenditures on higher education. The combined state and local expenditures, places California 16th in the nation with a \$56.40 per capita expenditure for higher education for 1969-70. The same combined expenditure of state and local funds of \$459.95 per each person of college age places California 17th in the nation, and 24th because of \$13.49 state and local government expenditures per \$1,000 personal income.

The data in these surveys would indicate that, when compared to other states, California has the ability to increase its expenditures for student aid programs and/or increase other expenditures for higher education, public and private.

Tuition Equalization

There are a number of policy alternatives available to the Legislature within the existing constitution to help narrow the "tuition gap" or the cost differential to the student between private and public institutions. Both the current State Scholarship Program and COG are, in a very real sense, tuition equalization programs. As mentioned in Chapter IV, seven other states have additional tuition equalization programs and call them such, and at least six other states are actively considering such plans. The Iowa Tuition Equalization Program is typical in that it seeks to permit more low and middle income students to attend Iowa private colleges and universities. The grants are up to a maximum of \$1,000, based on the family's estimated financial need, and cannot exceed tuition and fees minus the average amount the student would pay at a state university.

In California terms, a similar plan could close by \$1,000 the "tuition gap" of \$1,834 between the University of California and the average 1972-73 tuition and fees of \$2,279 at twenty California independent colleges and universities or close by \$1,000 the \$2,122 gap between the State University and Colleges and the same independent institutions in 1972-73.

What's the difference between "tuition equalization" and "vouchers"? Not much, but the term "voucher" has become emotion-filled, almost pejorative and more closely identified with elementary and secondary education. A "pure" voucher or "tuition equalization" would be, in effect, a blank check to the student to use for the full cost of his or her education at the institution of their choice. Tuition equalization could, of course, eliminate entirely the "tuition gap", but this is unrealistic and not presently sought or considered by the California independent institutions. There should be some premium to be paid in order to attend independent institutions.

TABLE 43

STATE GOVERNMENT EXPENDITURE ON CURRENT OPERATIONS FOR INSTITUTIONS OF HIGHER
EDUCATION, PER CAPITA, PER PERSON OF COLLEGE AGE, AND PER \$1,000 OF PERSONAL
INCOME, FISCAL YEAR 1970

	Total (000's)	Per Capita		Per Person of College Age		Per \$1,000 of Personal Income	
		Amount	Rank	Amount	Rank	Amount	Rank
U.S. average	\$7,286,179	\$35.99		\$308.89		\$9.84	
Alabama	134,403	39.02	25	333.73	25	14.74	16
Alaska	24,572	81.36	3	539.84	6	19.53	7
Arizona	98,153	55.39	13	464.13	14	17.19	11
Arkansas	57,434	29.87	42	271.80	36	11.57	30
California	766,219	38.40	26	313.16	28	9.19	41
Colorado	152,202	68.96	6	520.94	8	20.11	4
Connecticut	76,279	25.16	46	233.75	45	5.53	46
Delaware	28,435	51.89	16	448.52	17	12.82	23
Florida	173,208	25.51	45	242.25	43	7.73	45
Georgia	158,064	34.44	31	268.75	37	11.09	34
Hawaii	67,484	87.64	2	617.83	3	22.05	3
Idaho	26,307	36.90	28	326.95	26	12.41	24
Illinois	368,748	33.13	35	299.96	30	7.79	44
Indiana	284,774	54.13	14	468.94	13	15.09	15
Iowa	128,674	45.55	20	416.44	19	13.04	22
Kansas	111,521	49.59	18	406.63	21	13.78	18
Kentucky	109,761	34.10	32	279.96	33	11.93	28
Louisiana	122,556	33.64	33	276.04	34	11.77	29
Maine	34,352	24.56	50	310.81	29	11.50	31
Maryland	123,059	31.39	40	268.20	38	8.03	43
Massachusetts	112,597	19.79	49	167.80	50	4.96	48
Michigan	466,522	52.57	15	452.26	16	13.32	21
Minnesota	214,803	56.45	12	495.64	11	15.97	14
Mississippi	63,396	28.60	43	241.66	44	12.11	26
Missouri	148,469	31.74	39	284.48	32	9.23	40
Montana	31,389	45.23	21	409.39	20	14.45	17
Nebraska	63,128	42.54	22	369.62	22	12.07	27
Nevada	22,307	45.62	19	419.56	18	10.95	35
New Hampshire	30,551	41.40	24	355.86	23	12.27	25
New Jersey	151,757	21.17	47	208.32	46	5.01	47
New Mexico	82,258	80.96	4	683.56	1	28.57	2
New York	382,165	21.01	48	193.09	48	4.70	50
North Carolina	169,310	33.32	34	249.93	41	11.26	33
North Dakota	35,199	56.96	10	481.66	12	19.01	8
Ohio	325,131	30.52	41	267.60	39	8.10	42
Oklahoma	106,695	41.69	23	354.29	24	13.64	19
Oregon	118,492	56.67	11	497.85	10	16.32	13
Pennsylvania	213,984	18.14	50	170.20	49	4.96	49
Rhode Island	36,459	38.32	27	294.47	31	10.37	36
South Carolina	72,086	27.82	44	205.01	47	10.27	37
South Dakota	34,169	51.39	17	454.90	15	17.13	12
Tennessee	128,130	32.65	37	272.46	35	11.45	32
Texas	369,171	32.97	36	267.43	40	10.13	38
Utah	94,411	89.15	1	659.46	2	30.14	1
Vermont	28,117	63.18	8	512.57	9	19.72	6
Virginia	148,995	32.06	38	212.30	42	9.65	39
Washington	235,844	69.18	5	556.47	5	18.01	9
West Virginia	63,323	56.31	29	325.29	27	13.37	20
Wisconsin	269,754	61.06	9	535.02	7	17.54	10
Wyoming	21,292	64.13	7	578.49	4	19.84	5

Source of Data: Edric A. Weld, Jr. "Expenditures for Public
Institutions of Higher Education, 1969-70," The Journal of
Higher Education, Volume XLIII, Number 6, June 1972.

Tuition equalization has both educational and political appeal. It would serve those students, families, and constituents who are neither able enough to receive State Scholarships nor disadvantaged enough to be eligible for College Opportunity Grants. It also has the educational advantage that it could help divert students to independent institutions, encourage greater freedom of student choice, and either supplement or replace existing student aid programs. Because it serves that vast army of "average Californians" or "middle Americans", such a program has important, and positive, political implications as well. It has also the political disadvantage that there is almost no limit as to how much such a program might cost. As with most legislative student aid programs, the decisions remain: how much to spend, how many students to assist, and to what degree are the individual students and their families assisted? Each decision obviously affects the other two.

Increased Tuition in Public Institutions

Another, and even more obvious, way to narrow the "tuition gap" between public and private institutions is to increase the tuition charges at public institutions. In the case of the State University and Colleges, this would mean implementing a tuition charge in addition to the existing fees. Tuition at the public institutions is an explosive political and educational issue about which almost everyone has strong feelings, one way or another.

The independent institutions themselves are not in a position to advocate, publicly at least, increases in tuition in the public institutions as an indirect means of assisting the private colleges and universities. The political reason for their taking such a stand is clear-cut. Furthermore the Joint Committee on Higher Education stated that "the obvious and logical way to aid California's private colleges and universities is not by indirect means such as public tuition or increases in the state scholarships. . ."18

Tuition in the public institutions is a complex as well as emotionally charged issue. Reason may dictate one course of action, but political realities dictate another. The independent institutions find themselves between the anti-tuition and pro-tuition forces.

Christopher Jencks and David Riesman observed that "the answer (to current means of funding public higher education) must be clearly sought in the attitudes of the middle-class parents to whom legislators are responsive". They go on to say that "for many middle-income families, taxes that support higher education are a bit like compulsory insurance... Everyone pays into the kitty. Then families whose children stay in school win; families whose children drop out lose".19 These authors also believe that "faculty and administrators at public institutions tend to assume, just as their private colleagues did a generation ago, that higher tuition will exclude many desirable students".20

The time has come when the "colleagues" in private institutions feel that yet higher tuitions may eliminate students period, regardless of how "desirable". The AICCU has said that the "tuition gap" here in California

is the largest in the nation. This statement is difficult to substantiate without calculating the mean tuition and fees of all public and all private institutions in each state and determining the differences between these means in each case. A less difficult task is to compare the tuition and/or fees charged at the University of California and the California State University and Colleges with public institutions in other states. It is probably reasonably safe to assume that tuition and fees at other private colleges around the country don't vary too markedly from either the range or the mean of California's independent institutions.

The following Table 44 shows the 1972-73 student charges at sixty public universities in all fifty states.

TABLE 44
STUDENT CHARGES AT SIXTY STATE UNIVERSITIES, 1972-73

State	Institution	Tuition & Fees			
		Resi- dent	Non- Resident	Room	Board
Alabama	Univ. of Alabama	\$ 540	\$1,065	-	-
	Alabama State Univ.	330	555	\$ 252	456
Alaska	Univ. of Alaska	402	1,002	570	900
Arizona	Univ. of Arizona	411	1,301	335	574
	Arizona State Univ.	320	890	462	485b
Arkansas	Univ. of Arkansas	400	930	860a	-
California	Univ. of California	644	2,144	-	-
	Calif. State Univ. and Colleges	117 to 168	1,110 to 1,271	581 to 660	499 to 675
Colorado	Univ. of Colorado	576	1,895	1,135a	-
	Colorado State Univ.	570	1,759	418	672
Connecticut	Univ. of Connecticut	655	1,555	600	610b
Delaware	Univ. of Delaware	475	1,350	535	585
Florida	Univ. of Florida	570	1,620	480	750
Georgia	Univ. of Georgia	519	1,239	1,170a	-
Hawaii	Univ. of Hawaii	233	743	506	372b
Idaho	Univ. of Idaho	346	1,146	320	540
Illinois	Univ. of Illinois	686	1,676	1,080a	-
	Illinois State Univ.	585	1,246	1,120a	-
Indiana	Indiana University	650	1,490	445	600
Iowa	Univ. of Iowa	620	1,250	518	596
Kansas	Univ. of Kansas	486	1,076	950a	-
Kentucky	Univ. of Kentucky	405	1,201	537	537
Louisiana	Louisiana State Univ.	320	950	354	410b
Maine	Univ. of Maine	562	1,662	520	630
Maryland	Univ. of Maryland	639	1,439	450	610
Massachusetts	Univ. of Massachusetts	469	1,069	678	613b

TABLE 44 (CONTINUED)

State	Institution	Tuition & Fees		Room	Board
		Resi- dent	Non- Resident		
Michigan	Univ. of Michigan	\$ 696	\$2,260	\$1,236a	-
	Michigan State Univ.	675	1,530	1,143a	-
Minnesota	Univ. of Minnesota	641	1,547	1,200a	-
Mississippi	Univ. of Mississippi	516	1,116	320	540
Missouri	Univ. of Missouri	540	1,540	360	580
Montana	Univ. of Montana	432	1,318	312	642
Nebraska	Univ. of Nebraska	534	1,260	1,040a	-
Nevada	Univ. of Nevada	519	1,719	524	564
New Hampshire	Univ. of New Hampshire	1,034	2,234	550	560
New Jersey	Rutgers	655	1,240	612	660
	Trenton State	629	1,164	1,250a	-
New Mexico	Univ. of New Mexico	456	1,284	1,080a	-
New York	SUNY	825	1,325	650	-
North Carolina	Univ. of No. Carolina	422	1,772	391	630
North Dakota	Univ. of North Dakota	456	1,184	-	-
Ohio	Ohio State Univ.	750	1,800	825	510
Oklahoma	Oklahoma State Univ.	484	1,188	946a	-
Oregon	Univ. of Oregon	534	1,593	960a	-
	Oregon State Univ.	506	1,565	973a	-
Pennsylvania	Penn. State Univ.	855	1,986	1,140a	-
	Univ. of Pittsburgh	982	1,972	650	600
Rhode Island	Univ. of Rhode Island	761	1,661	600	600
South Carolina	Univ. of So. Carolina	570	1,280	380	584
South Dakota	Univ. of South Dakota	500	1,076	350	440
Tennessee	Univ. of Tennessee	396	1,116	450	900
Texas	Univ. of Texas	267	1,347	489	578
Utah	Univ. of Utah	480	1,155	458	593
Vermont	Univ. of Vermont	1,086	2,536	460	578
Virginia	Univ. of Virginia	597	1,372	375	600
Washington	Univ. of Washington	564	1,581	1,020a	-
	W. Washington State	495	1,359	950a	-
West Virginia	Univ. of West Virginia	292	1,122	1,165a	-
Wisconsin	Univ. of Wisconsin	558	1,906	1,300a	-
Wyoming	Univ. of Wyoming	411	1,377	943a	-
Mean (N=61)		\$ 537.97	\$1,416.70		
Range		117 to 1,086	555 to 2,536	252 to 1,250a	372 to 900

a = Room and Board Combined

b = 5-Day Plan

Source of Data: Chronicle of Higher Education, October 2, 1972, from surveys by the National Association of Land-Grant Colleges and the American Association of State Colleges and Universities.

Among this selected sample of sixty state universities, none of them have lower tuition and fees than the California State University and Colleges with their annual charges which range from \$117 to \$168 depending on the campus. No less than forty-two of the remaining fifty-nine state institutions have resident student charges less than the University of California. The average tuition and fees for both California "senior" public segments for 1972-73 is about \$400, and eight of the other fifty-nine institutions have resident tuition and fees below that average of the two California systems.

Tuition remains a volatile issue in California; in the public institutions because many people feel that the tuition charges are too low; and in the private because many people are alarmed that they're too high. Soon the legislature will eventually have to consider both problems whether or not there is any relationship between them.

Contracts for Educational Services

The existing program of contracts with medical schools could itself be expanded, if the participating institutions feel they could accommodate yet more students. This principle could be also extended to other high-cost educational areas or services. Contracts for increased dental or nursing students are two other examples. If the existing program is constitutional, programs exactly like it, but for other academic areas, would probably also be constitutional.

Contracts for educational services have several educational and political advantages. The legislature can determine in what specific areas there are needs in the society, and then, in turn, provide categorical assistance to meet these needs. The contracts also have the political and educational advantage of effecting a savings of taxpayer's dollars if the contract per student or for other services results in less expenditures than creating a new or expanding an existing public institution to provide the same service.

From the institution point of view, contracts provide funds which permit expansion, increased enrollment, or greater service. There is also the disadvantage that the program may be discontinued as social and political priorities shift and change emphasis. There has been some experience with Federal support of graduate education and research to justify this apprehension.

Loans to Institutions

State funded loans to independent institutions may or may not be constitutional, particularly to those church-related colleges and universities affected by Article XIII, Section 24. Even so, loans for construction and/or renovation of facilities have a number of advantages for both the State and the institutions of higher learning.

Twelve other states now have facility or dormitory authorities empowered to issue tax-free bonds, in turn, to provide lower interest loans

for the construction of dormitories, classrooms, and other academic facilities. During the current legislative session, A.B. 2014, introduced by Assemblyman Dixon Arnett, would establish a "California Educational Facilities Authority" with similar powers to issue tax-exempt construction bonds. This bill, introduced initially at the request of Stanford University, now has the full support of the AICCU.

Tax exempt bonds sell about two points less than guaranteed corporate loans. On Stanford's large amount of borrowed money, this could amount to between \$250,000 and \$500,000. A.B. 2014 limits the total bond authorization to \$150 million with no more than \$50 million of the bonds to be issued and sold within two years of the effective date of the act. The bill permits the Authority "to make loans to private colleges and universities for the construction of dormitories and educational facilities". All costs of the Authority would be borne by the colleges and universities using it. The only loser by this system would appear to be the individuals, agencies, or institutions which now receive the payments of the higher interest rate.

Only two other states provide direct grants to private institutions which can be used for the construction of facilities. States seem to prefer to use their power to issue tax-free bonds to obtain the capital needed to finance construction at private colleges and universities. This permits colleges and universities to operate at a constant level regardless of short-term deficits. These lower interest rates permit colleges to use the resulting savings for other purposes and to expand at lower cost than could have been accomplished without such state assistance. Other options might be loans for the purchase of land, but this seems less common and less attractive than providing loans for educational facilities which themselves might be revenue producing.

Tax Relief

"Whenever you exempt anyone from taxes, it's the same thing as giving them money", or so said Clark Kerr during an interview with the writer. California's independent colleges and universities have long, but not always, had exemption from property taxation. These institutions, over the years, have always sought to maintain existing tax benefits and have occasionally sought to expand their tax relief. In 1964, for example, the AICCU Executive Committee began to explore a tuition tax credit or deduction on the State income tax as well as the possibility of amending the State tax law to increase the gift deduction to 30 percent.²¹

Any tax relief or exemptions for the institutions decrease their expenditures, assuming that administrative costs to obtain the relief don't exceed the amount saved. There is also the critically important stimulus to private giving encouraged by deductions for private contributions, and this benefit can apply to both individuals and corporations.

There are a number of taxes which California institutions now pay from which they could be granted relief. The State of Michigan, for example, provides a gasoline tax refund for gasoline used in school buses as well as a tax credit for contributions to colleges and universities.

From the State's point of view, any further tinkering with the already extremely complex tax laws might make the situation even more complex. Some additional programs of providing tax relief might also have high administrative costs, be difficult to regulate, and may not be worth the effort. There is also the political consideration of providing a new or additional tax exemption to one group of non-profit and charitable institutions without doing the same for other groups and institutions. Then there is the fact that increased tax exemptions result in decreased revenue. One man's benefit is another man's burden.

Options with a Revised Constitution

One possible advantage of the existing State constitution is that it does limit the options. One objection voiced in the State Senate when ACA 47 was being considered two years ago was the possibility, albeit remote, that the Legislature might be receiving requests and bills from every college. Another great advantage of the existing State programs, from the point of view of the independent colleges and universities, is that there are few State mandated controls placed on institutions or students.

Yet from the point of view of the Legislature and "good government", it would be desirable to eliminate all unnecessary prohibitions in the constitution and to provide the Legislature with as many possible alternatives for statutory law. At the same time, greater control or accountability for the expenditures of public funds might be possible, whether or not desirable, through different forms of State assistance to independent colleges and universities.

As is the case with the existing constitution, only competent legal opinion and the courts can determine what would or would not be constitutional even if the constitution were revised. The following is a list of some policy alternatives, certainly not an exhaustive list, which would probably be available to the Legislature if the existing prohibitions in the State Constitution were removed:

1. Direct subvention per student or California resident.
2. Direct subvention per additional California resident enrolled.
3. Cost of education grant to institution for each State Scholarship winner enrolled.
4. Cost of education grant to institution for each College Opportunity Grant winner enrolled.
5. Direct subvention per degree awarded.
6. State loans for facility construction or renovation.
7. Grants of state land or surplus facilities.

8. Leases of state-owned land or facilities.
9. Direct subventions to institutions for operating expenses.
10. Direct grants to stimulate increases in private gifts and philanthropy.
11. "State-related" or "semi-public" colleges and universities.
12. Elimination of existing tax exemptions.
13. New forms of governance to include all California higher education, public and private.

Direct Subventions per Student or Degree Awarded

The former Joint Committee on Higher Education was of the opinion that "direct subventions. . . under applicable planning and budgetary procedures" was "the obvious and logical way to aid California's private colleges and universities".²² Several other states now have programs which appropriate state funds to private institutions for each resident enrolled, each state scholarship winner enrolled, each additional resident enrolled, or each degree awarded.

When any legislator considers these kinds of alternatives, he should ask "what are the motives behind such a program"? If the motive is to increase enrollment, the Levin and Osman study concluded that, theoretically at least, increasing supply or demand subsidies will have exactly the same effect on increasing enrollment. That is direct state aid to institutions to increase capacity (supply subsidies) will, theoretically, have the same positive effect on enrollment as increased financial aid to students (demand subsidies). The goal of the Levin and Osman report was primarily to study alternative ways of increasing enrollments in private institutions; and in their extremely theoretical treatise and mathematical model, the authors assumed that "the quality of educational output is fixed" for all institutions, public and private, as were "all of the variables other than price".²³ Obviously there are other variables at work, but it is important to know that grants via students or grants directly to institutions can both result in increased enrollments. Educational, political, and legal considerations thus must determine which policy or policies are implemented.

If the goal of legislatures is simply to improve the financial health of institutions, there are a number of ways to do this; and grants per student, per scholarship holder, or per degree awarded are means available to accomplish that end. Such forms of assistance might be presently constitutional if they would be designated as "contracts" and assuming that the existing contract program with medical schools is constitutional. Such forms of state aid are not categorical in a narrow sense, as they are awarded with equity based on some determinable number of students or degrees awarded.

The Federal Congress has long avoided this kind of non-categorical assistance since this kind of governmental subvention has been called "put it on the stump and run". That is, there is no accountability or explicit purpose for the funds awarded, and who's going to say no to that.

There are at least two more considerations about aid awarded to increase enrollments. First of all, many institutions are anxious to simply retain existing enrollments before worrying about expanding enrollments. The other consideration is what Levin and Osman called "the savings bank phenomenon". Savings banks increase interest paid to attract more depositors but must also pay the increased interest to those people who already were depositors at the former and lower interest rate. For example, vouchers to students may lower the cost of tuition to students who would have been able and willing to pay the higher tuition anyway. Assistance directly to the institution, in some cases or programs, might avoid the "savings bank phenomenon".

President Charles Hitch of the University of California, in a statement to the Select Committee on the Master Plan, stated that "it is extremely important to assure the continued existence and strength of private institutions". He went on to say that the "form" of such assistance becomes "crucial", because of "the tendency for control to follow dollars". President Hitch then suggested that "a much better course would be to provide indirect aid via student financial assistance, perhaps with the addition of cost-of-education supplements which the students could take with them to the private institutions of their choice".²⁴ Such cost-of-education supplements, a demand subsidy, may or may not be constitutional, but would provide an important way to assist institutions. If such a supplement were provided all students it would approach a voucher system and might incorporate "the savings bank phenomenon" if the object were to increase enrollment. If such cost-of-education supplements accompanied State Scholarship or COG winners, they would serve and reward those institutions which serve those students. Cost-of-education grants tied to scholarships tend, on one hand, to reward quality, and, on the other, reward those institutions which are serving the State through these residents. Rewards of existing quality can also result in what might be called "the Matthew phenomenon: " "For whoever hath, to him shall be given, and he shall have more abundance; but whosoever hath not, from him shall be taken away even that he hath". (Matthew 13:12)

The degree is often regarded as one tangible "output" of higher education. For this reason, New York State tied its "Bundy aid" to degrees awarded by eligible nonsectarian, independent colleges and universities. The State provides the institution with \$400 for each Bachelors and Masters degree awarded and \$2,400 for each doctorate. If such a program were in operation in California, and if all AICCU institutions were eligible for the 21,283 bachelor and master's degrees and 1,363 doctorate degrees awarded in 1970-71, such a program would cost a total of \$11,784,400 for 1970-71. This contrasts with the \$26.9 million appropriated in New York during 1971-72.

There are both educational and political advantages to tying state assistance to students enrolled. This recognizes, to a degree, that the institutions exist to serve students and society and not vice versa. Some of these options stimulate and reward growth, others reward "output" in terms of degrees rewarded, some have the political and educational advantage that they provide "something for everyone". Several of **these** options have the disadvantage that they might be difficult to administer or control. Even so, the arguments seem to strongly favor providing assistance via students, either indirectly or directly.

Support for Facilities

There are a number of ways that the State could assist independent colleges and universities in the construction or renovation of educational facilities, or even the creation of new institutions, or new campuses of existing institutions. The arguments for and against a "California Educational Facilities Authority", and A.B. 2014, were discussed in an earlier section of this chapter. Such a program would, without question, be constitutional if the constitutional prohibitions in Articles IX and XIII were removed. This is particularly true for those independent colleges and universities which are still church-related or come under sectarian control. Twelve states now have such authorities and their loans for facilities are typically available to both church-related and non-church related institutions so long as the actual facility being funded is not to be used for secular or religious purposes.

There are additional ways that the State could provide support for facilities if the constitution were revised. The Constitution Revision Commission chose its revised wording with great care. The word "money" was deleted in favor of "aid" to suggest that the Legislature, but not state and local governments without approval of the Legislature, "may grant aid to non-profit institutions". This was done because it was mentioned that the Legislature at some future time might wish to provide aid other than money; and surplus facilities, equipment, and land were mentioned in discussion as examples of "aid" in addition to money.

Grants of land are one of the oldest forms of governmental assistance for railroads and colleges. California presently continues this practice, albeit indirectly, through providing private colleges and universities with the right to condemn property needed for educational purposes. It is conceivable that this practice could be extended to actually providing grants of state land for new or expanded institutions. Similarly, surplus facilities or equipment could be granted to independent institutions if the constitution were revised.

The Coordinating Council study of State Aid to Private Higher Education mentioned an additional option for state-granted facilities which, in the Council staff's view, would also require a revised constitution. Under this plan, "the State would own all land, facilities, equipment, and other capital items necessary to operate an institution of higher education and then lease these to a private institution to operate, under conditions prescribed by the State".²⁵

The Council staff felt that this alternative is a variation of the contract idea but reversed, with the independent institution contracting to use a State facility. Quality, and perhaps even program, might be required with this option which creates essentially a new form of "semi-public" institution. While many of these other alternatives are currently being utilized in other states, this one is not.

Direct Subventions to Institutions

Very, very few states appropriate funds for operating expenses of independent colleges and universities with "no strings attached". It would appear to be politically unattractive, even if educationally desirable in the short term, to implement such options. Only Alabama, Alaska, Maryland, and Pennsylvania have provided such grants. Even so, this option would be possible with a revised California Constitution. If past and present experience is any clue, control of some form follows dollars; and direct subventions would inevitably have some kind of "strings" attached. This is politically necessary if not desirable, and certainly not desired by educational institutions worried about their autonomy.

One of the most important considerations, in my view, in any form of state assistance to independent colleges and universities is not to "sever the nerve" of private giving. It would seem possible to implement a program whereby the State would stimulate increased private philanthropy. This goes beyond simply preventing decreases in giving or extending tax credit or deductions for individual or corporate contributions. It would seem possible for the State to implement a foundation-like program of matching grants which would require matching private money at some predetermined ratio. There might also be provisions which would require that the private matching funds be "new money" or gifts, and not simply institutional funds from tuitions. Of course, many legislators might feel it would be inappropriate for the State to get into the foundation business or anything even approaching it. But, such options might be educationally desirable if they would both provide needed funds for useful purposes and increase the amount of private money invested in private higher education.

Alternative Forms of Governance

Throughout the country, a number of formerly private colleges and universities, some of them major institutions, have become completely public or "state-related" or "state-assisted". There is some evidence that it might have been less expensive for New York State to "bail out" rather than to "buy out" the University of Buffalo. The formerly independent University of Buffalo became a totally public component of the State University of New York (SUNY) system, and at that time private gifts and donations to Buffalo practically ceased. Just recently, New York University, also private, was forced to sell an entire campus which will now become a public college.

In Pennsylvania, both Temple University and the University of Pittsburgh, formerly private, have joined the Pennsylvania State University in becoming

"state-related" institutions. This rather unique relationship was described in Chapter IV under "Pennsylvania", but it does provide another option for other states. New relationships are possible between the two poles of "public" and "private", including the Pennsylvania "state-related" and "state aided" institutions, semi-public institutions, or even a totally public assimilation of previously independent institutions.

Another option available to the Legislature, which may or may not require a revision of the constitution, and one which would undoubtedly be unpopular with independent institutions, would be the implementation of a "super, super board" which would or could oversee all institutions of higher education in California, public and private. The Regents of the University of the State of New York are an anomaly since they do oversee, at least nominally, all colleges and universities in New York, public and private, as well as all other educational institutions, including schools, libraries, and museums. It would probably be impossible in the 20th century to implement something like the Regents, which is now almost two hundred years old, even if such a governance system were desirable.

Many independent institutions are already "quasi-public" in terms of their institutional purpose and, in a few cases, the sources of their funds. They retain true independence by means of their governing boards. State control and/or forced coordination seem to be antipathetic to this institutional independence and autonomy. Yet increased state-wide planning for all higher education in the State and/or increased programs to provide assistance to independent institutions may require something other than the "voluntary coordination" and the current participation on the Coordinating Council.

True coordination may be anathema to institutional autonomy. But independence is operationally a relative rather than an absolute term. The benefits provided to both individuals and society are not entirely "private" but also "public". The independent institutions will find it increasingly difficult to have it both ways. Public purpose, and most certainly increases in public funds, will require increased public accountability in some form. The fundamental dilemma in California as in New York is "how the state can help preserve the strength and vitality of our private and independent institutions of higher education, yet at the same time keep them free".²⁶ New York also provides an example of the problem. The legislature having appropriated the "Bundy aid", proceeded to mandate teaching workloads for those independent colleges. Only the Governor's veto prevented this involvement in the administration of the private institutions.

Relationship Between the Public and Private Sectors

The late Arthur Coons observed that "there has been a considerable mutuality of respect and cooperation between and among public and private institutions".²⁷ Over the past century there has been a remarkable degree of good will between California's independent colleges and the public segments. The Legislature must recognize this existing good relationship

if and when it considers policy alternatives which may affect the ties between independent and public institutions. This applies to options involving assistance to or via students, assistance directly to new institutions, or indeed new forms of governance, coordination, or control.

The Regents of the University of California have formally recognized the importance of private money to private institutions. A 1959 policy statement of the Regents, still in force, states the following:²⁸

With respect to Private Colleges: Since private colleges and universities are heavily dependent upon gifts and endowments for their support, every effort will be exerted not to interfere in any way with their sources of support. The University's relationship with our friends of the independent institutions is so important that the utmost care will be exercised in this connection. As the University's program enlarges, the main emphasis will be to secure funds from the University's "immediate family", that is, alumni, faculty, students, possibly parents, friends geographically and sentimentally attached to various campuses, and corporations and foundations interested in the University and desiring to utilize the University's facilities. "Public" solicitation, as such, is not envisaged.

President Hitch of the University of California, as previously mentioned, has endorsed the notion of "indirect aid via student financial assistance, perhaps with the addition of cost-of-education supplements which the students could take with them to the private institutions of their choice". President Hitch also feels that if there were ever a "large enough" diversion of State funds to independent institutions from the University of California, this "might lead the University to re-examine its policy about seeking private gifts", which is the policy the Regents adopted in February of 1959.²⁹ Additionally, President Hitch does not favor raising tuition at the University of California, "certainly not under the present circumstances", as a way of narrowing the "tuition gap".³⁰

Chancellor Glenn Dumke of the California State University and Colleges also endorses the general notion of state assistance to independent institutions. He said recently that "I would favor public assistance to independent institutions if this seems necessary to maintain the diversity and pluralism of higher education in the State". He went on to say that "obviously, one of the easiest ways to have it done would be through student scholarships with some overage to the institution". He also said that "we ought to open our minds to several possibilities" of alternate forms of state assistance. Chancellor Dumke also expressed some words of caution: "The independent institutions must be very alert to the fact that once they begin accepting (state) assistance, the question of their independence immediately comes into focus; and this with the best of intentions on everybody's part".³¹

President Hitch expressed a similar reservation during an interview in July of 1969:

President Hitch: "From where I sit today, I can understand why some presidents of private institutions are reluctant to seek state funds".

Interviewer: "You mean it may not be worth the price"?

President Hitch: "It may not be worth the price".

Interviewer: "May I quote you on that"?

President Hitch, after a slow, deliberate puff on his ubiquitous cigar: "Yes, you may quote me on that".

When reminded of this quote over two years later, President Hitch laughed and said "I haven't changed my mind".³²

Even though almost all government funds have some "string" attached, including the "string" that the funds or program might be cut back or even eliminated, to some institutions the "price" may be survival. To others, the "price" may be the loss of their vitality, their autonomy, or their independent spirit.

SUMMARY

Professor Earl F. Cheit of the University of California, Berkeley, in his recent study, The New Depression in Higher Education, said the following in discussing various public policy alternatives to close the gap between what students pay and what it costs to educate them:

"(These alternatives) raise important questions of policy, including how exclusively the presidents would rely on government subsidies rather than on other new sources of income; to what extent subsidies would justifiably entail governmental interest in college policy; what the resulting relationships would be between public and private institutions; and what the equities, the incidence of taxation, and the other public and private expenditures foregone could be that justify this level of governmental support of higher education".³³

Future policy alternatives must recognize the great value to the State provided by the vast amount of private funds which flow to private institutions for their support. Public policy must permit the continuation of this support and encourage its expansion. For example, during 1970-71, all AICCU institutions had a total educational income of over \$328 million, of which \$186 million came from tuition, about \$28 million from investment income, and almost \$60 million in gifts.³⁴ New legislative options must provide for even greater utilization of private funds as well as independent colleges and universities themselves.

Besides simply maintaining the status quo, the legislature confronts a bewildering array of options to serve a wide variety of possible motives regarding independent colleges and universities. There are a number of options which could affect the existence and governance of these institutions, and others which might provide increased assistance to students and institutions, directly and indirectly. Many of these options are clearly possible within the existing California Constitution, but many other options would probably require a revision of the constitution. Each policy alternative has both political and educational advantages and disadvantages. Each option, if actively considered by the Legislature, must be carefully evaluated in terms of its motive, function, and impact on the total higher educational system in the State.

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4. Minutes of AICCU Executive Committee, AICCU, November 4, 1964.
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6. Ibid, p.48.
7. The Challenge of Achievement: A Report on Public and Private Higher Education to the Joint Committee on Higher Education of the California Legislature. (Sacramento, February 1969), p. 103.
8. Meeting of the Constitution Revision Commission, San Francisco, July 24, 1969.
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10. Assembly Constitutional Amendment No. 47, California Legislature, 1970 Regular Session, introduced by Assemblyman Biddle, March 20, 1970.
11. The Academic State, p. 20.
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13. Meeting of Constitution Revision Commission, San Francisco, July 24, 1969.
14. Homer D. Babbidge, Jr., and Robert M. Rosenzweig, The Federal Interest in Higher Education, (New York: McGraw-Hill Book Company, 1962), p. 139.
15. Atlantic Reporter, 2nd Series (220 A, 2nd 51), 1966, p. 65.
16. The Academic State, p. 48.
17. Title X - Assistance to Institutions of Higher Education, Education Amendments of 1972, Report No. 92-798, p. 152.
18. The Academic State, p. 39.
19. Christopher Jencks and David Riesman, The Academic Revolution, (Doubleday and Company, Garden City, New York, 1968), p. 277. (Chapter V in this book, "Class Interests and the 'Public-Private' Controversy", is extremely provocative and germane to this report.)

20. Ibid, p. 276.
21. Minutes of the Executive Committee, AICCU, November 4, 1964.
22. The Academic State, p. 39.
23. Levin and Osman, op. cit., pp. 13 and 15.
24. Statement to the Select Committee on the Master Plan of the Coordinating Council for Higher Education, by President Charles J. Hitch, University of California, December 21, 1971.
25. State Aid to Private Higher Education, A Study of Ways of Providing Public Resources for Support of Private Institutions of Higher Education in California, Coordinating Council for Higher Education, December 1969, p. III-6.
26. Report of the Select Committee on the Future of Private and Independent Higher Education in New York, 1968, p. 12-13.
27. Coons, op. cit., p. 167.
28. "Policy Statement on Gifts and Endowments", Committee on Endowments, Regents of the University of California, February 1959.
29. Interview with President Charles J. Hitch, University of California, September 28, 1972.
30. Ibid.
31. Interview with Chancellor Glenn S. Dumke, California State University and Colleges, September 29, 1972.
32. Interview with President Charles. J. Hitch, University of California, September 28, 1972.
33. Earl F. Cheit, The New Depression in Higher Education, McGraw-Hill Book Company, 1971, pp. 124-125.
34. 1972 Statistical Profile, AICCU.

CHAPTER VII

REVIEW OF THE LITERATURE

There have been a number of recent studies specifically about private higher education in California and about the problems of independent colleges and universities nationally which deserve description. Additionally, many states have recently conducted studies about the particular problems and role of independent higher education. The Bibliography at the end of this report cites many, if not most, of these single state studies. This review of the literature will only include those studies and reports specifically about California or studies and reports which have national importance or a national data base. This listing is hardly exhaustive, but it hopes to be illustrative of the recent literature that bears upon this timely topic.

Astin, Alexander W. and Calvin B. T. Lee. The Invisible Colleges. New York: McGraw-Hill Book Company, 1972.

This is the eighth in a series of profiles of certain categories of institutions by The Carnegie Commission on Higher Education. The "Invisible Colleges" are the "third class citizens" if state colleges and junior colleges are regarded as the second-class citizens. They are the small, not very selective, private, and usually church-related colleges. By the authors' criteria, 15.5% of California's 174 colleges and universities, public and private, are "invisible". "The primary concern of all these private colleges, both sectarian and nonsectarian, was, and still is, survival, especially given the trend in the United States towards non-sectarian, state-supported, tuition-free higher education". The authors believe that the invisible colleges are, indeed, performing a real service and that all of them could, and should, accommodate at least a few more students. "The most obvious answer is through outside aid, probably by the state". The question remains if it is more economical to provide subsidies to these institutions or to expand the public sector, particularly since these colleges can offer their students - often the less able and less well prepared - the kind of college experience they seek.

Berdahl, Robert O. Statewide Coordination of Higher Education. Washington, D. C.: American Council on Education, 1971.

"The issue of university autonomy will never be finally solved. It can only be lived with". - John Gardner. Professor Berdahl makes the case that institutional autonomy and academic freedom are not synonymous and that one need not be maintained to preserve the other. Berdahl favors a strong coordinating body for both philosophical and practical reasons, since unless such power is given the coordinating body, state government will assume these functions. Chapter Nine, "Private Higher Education and State Governments", is particularly germane to this report. He describes the need for state aid, types of state aid, and various problems such as those with church-related institutions, politics of state aid, and institutional accountability.

Bowen, Howard R. and Paul Servede. Who Benefits from Higher Education - and Who Should Pay? Prepared by the ERIC Clearinghouse on Higher Education. Washington, D. C.: American Association for Higher Education, 1972.

This is the fifth in a series of excellent, brief reports published by AAHE. This particular report by California's own Howard R. Bowen is one of Bowen's more thoughtful treatments of the issue of who benefits and who should pay for higher education. In this work Bowen and Paul Servede, a faculty member at Whittier College and a student in economics at the Claremont Graduate School, advance two versions of the benefit theory - one dealing with the justice of cost allocation among individuals and groups and the other concerned with the efficiency of resource allocation in terms of the investment in the products of higher education. Many of their observations bear directly on the question of the level of tuition at public institutions and the share of public support appropriate for private institutions. They conclude: "the controversy is basically one of values and judgments. Neither side can overwhelm the other".

The Capitol and the Campus: State Responsibility for Postsecondary Education. A Report and Recommendations by The Carnegie Commission on Higher Education: McGraw-Hill Book Company, April 1971.

The Commission declares that the state "should continue to carry the primary responsibility for higher education they have borne historically", and this responsibility extends to private colleges and universities. The Commissioners "favor some state support of private colleges and universities", and more specifically the Commission favors a state subsidy of tuition costs for students who do not have financial ability to meet the costs, "leaving to the Federal Government the basic responsibility for subsistence costs". This method of assisting institutions is favored over increasing public tuitions. The Commission also recommends cost-of-education vouchers for resident students usable at independent institutions. These colleges would receive "a state payment increasing gradually each year up to an amount equal to one-third of the subsidy granted by the state for students at the same levels attending comparable institutions. The Commission also recommends contracts for educational programs, even state land-grants for independent institutions, and bond-issuing facility authorities.

Cheit, Earl J. The New Depression in Higher Education. New York: McGraw-Hill, 1971.

Professor Cheit, a Professor of Business Administration at the University of California, Berkeley, undertook this "study of financial conditions at 41 colleges and universities" for the Carnegie Commission on Higher Education. Six of these 41 institutions are in California: Stanford, Mills, Pomona, the University of California, Berkeley, College of San Mateo, and San Diego State College. The author finds that a number of these institutions are either in financial trouble or headed for it. He also makes some assumptions about all colleges and universities based on this selected sample. Next to private universities in large urban areas,

"it was the liberal arts colleges that included the largest proportion of institutions in financial difficulty". Cheit finds five major factors which contribute to financial difficulty: the general inflation of the economy, increases in faculty salaries, substantial increases in amounts of student assistance, campus disturbances, and a significant growth of institutional responsibility, activities, and aspirations. This is an excellent study, and deserves careful reading.

Eulau, Heinz and Harold Quinley. State Officials and Higher Education: A Survey of the Opinions and Expectations of Policy Makers in Nine States. New York: McGraw-Hill Book Company, 1970.

This general report prepared for The Carnegie Commission on Higher Education examines the role and influence of elected state officials on American higher education. Officials in nine states, including California, were extensively interviewed.

A number of the questions in the interviews dealt with the problems of private colleges and universities, and many pages in the authors' first draft, devoted to this topic, were edited down to a page and a half on the "dilemmas of the private institutions". The authors found, in all nine states, that "while almost all (of the state officials) have a positive assessment of private education, their perceptions of the problems facing private schools and how the state should respond were more heterogeneous. In general, the legislators and executives were not particularly disturbed about the financial plight of the private schools."

Financing Independent Higher Education in California. A Report to The Joint Commission on Higher Education, California Legislature. Prepared by McKinsey and Company, Inc., for The Association of Independent California Colleges and Universities, December 1968.

The extensive and detailed study of the AICCU institutions determined that "it is becoming increasingly difficult for independent institutions of higher learning to maintain their relative level of participation in the State of California and to provide the distinctive academic and living environments they have traditionally offered". The report states that while in the long run "the most likely source of substantially expanded support for higher education...is the Federal government, ... to the extent (state) support makes it possible for private institutions to educate students who would otherwise have to be absorbed by the public sector, it is to the state's economic advantage to provide that support". This report also projected huge aggregate deficits for the AICCU institutions, and, it has been argued, that such projections are misleading because institutions will, out of necessity, cut back on expenses or increase income or both to prevent such deficits.

Jellsma, William W. The Red and the Black. Special Preliminary Report on the Financial Status, Present and Projected, of Private Institutions of Higher Learning. Washington, D. C.: Association of American Colleges, 1971.

Mr. Jellsma is Research Director of the Association of American Colleges, and in 1971 he conducted a survey of 554 independent colleges. He

found that 507 of these institutions had an average deficit of \$104,000. The survey also indicated that 200 institutions would run through their liquid assets within a year and that if the downhill pace continues, 365 colleges and universities could go bankrupt within a decade.

Levin, Henry M. and Jack W. Osman. Alternative Methods of State Support for Independent Higher Education in California. Phase II of a study of State Aid to Private Higher Education by the Coordinating Council for Higher Education, Sacramento, February 1970.

This study grew out of a request by the Department of Finance to the Coordinating Council for "a cost analysis study of private higher education in California with a view toward more effectively utilizing the total public and private higher education systems". More specifically, the study focused on the question: How can public funds be used to stimulate increases in enrollment at private colleges and universities? The authors found that, theoretically, supply subsidies to institutions will have the same effect as demand subsidies to students. The authors also concluded, at the time of their study, that "the financial status of California independent colleges and universities, taken as a group, is not in jeopardy". They go on to enumerate a number of plans whereby enrollment could be stimulated in private colleges and universities.

Lewis, Richard S. State Relationships with Independent Institutions of Higher Education and Assistance to Students Attending Independent Institutions of Higher Education. A Background Paper Prepared for the Education Committee of the Connecticut General Assembly by the Staff of the Commission for Higher Education, February 1972.

Mr. Lewis is Associate in Higher Education for the Connecticut Commission for Higher Education. This report includes an "introduction" which describes the national perspective and the national problems of independent colleges and universities. He then goes on to describe existing programs, as well as many that are currently being proposed, in all other states. The report then looks at the specific situation in Connecticut, and the history of that state's attempts to utilize and to assist private colleges and universities.

McFarlane, William M. and Charles L. Wheeler. Legal and Political Issues of State Aid for Private Higher Education, Atlanta: Southern Regional Education Board, 1971

This work draws on the earlier SREB 1969 report by William McFarlane, State Support for Private Higher Education. In this work, however, the authors discuss both the legal and political considerations that affect state assistance to independent colleges and universities, particularly those within the region of the Southern Regional Education Board. They point out that on the Federal level, several forms of aid to church-related institutions appear to be constitutional. There is, in the south and elsewhere, considerable variation among the various state constitutions in terms of what can and cannot be done to assist independent institutions

and the students who attend them. The authors also surveyed state and educational leaders and found "sympathetic interest" in the problems and well being of private colleges and universities.

McFarlane, William H. State Support for Private Higher Education, Atlanta: Southern Regional Education Board, 1969.

The Southern Regional Education Board has had a relatively long, thoughtful, and systematic interest in the relationships of states to private colleges and universities. As early as 1966, in a series of reports on financing higher education, SREB devoted Number 19 in that series to "State Government Relationships with Private Colleges and Universities". In this 1969 report by McFarlane, the author provides a description of conventional relationships between state systems and private sectors, a classification and description of existing and proposed types of state support for all higher education, a brief examination of the major legal and political issues which affect public aid for private institutions at federal and state levels (see McFarlane and Wheeler, 1971), a review of the current trends at the state level, and an evaluation of the major features of the various options which might be encountered, particularly in southern institutions.

Nelson, Fred A. California and Nonpublic Higher Education: The Historical and Current Relationships Between the State of California and Independent Colleges and Universities. Unpublished Ph.D. dissertation, Stanford University, 1970.

This long (401 pages including appendices) study details the interaction of independent colleges and universities in California with various branches of State government, including the University of California, in both the past and present. Each of the nine chapters can stand alone, and these include the following topics: Introduction; Early History of California; Stanford University; State Scholarships and Fellowships; The AICCU; The Master Plan and its Coordinating Council, Constitutional Revision; ACA 47 and Direct State Aid; and The Future Dimly Seen. No specific hypothesis is advanced. "Institutions, like people, will act when threatened." Since both State government and independent institutions are made up of people, they "are prone to the same virtues, faults, and foibles as people themselves."

Reinhert, Paul C., S.J. To Turn the Tide, Englewood Cliffs, N. J.: Prentice Hall, Inc., 1972.

This book by the long-time president of St. Louis University, grows out of a series of discussions with educational, political, and business leaders called Project SEARCH. Father Reinhert makes the now traditional case for private higher education. After private sources, he argues, the primary responsibility of the government for the support of private higher education rests with the states. He laments the vast state-by-state differences in programs of aiding independent colleges, and wishes he could move St. Louis University to Illinois! He also believes that the federal and state government programs and purposes should mesh together, and

Project SEARCH was able to define specific goals and functions for the state and federal governments, with states supporting tuition equalization programs and contracts for professional and graduate training, and adding the pro and con arguments for the former Senate and House versions of the Higher Education Amendments of 1972.

Shulman, Carol H. State Aid to Private Higher Education. Prepared by the ERIC Clearinghouse on Higher Education. Washington, D. C.: American Association for Higher Education, June 1972.

This is the third in a series of excellent reports published by AAHE. In a brief (88 page) report, Ms. Shulman discusses in general terms the "State's Interest in Private Higher Education, Methods of Aid, and Problems Created by New State-Private College Relationships". She concludes that private institutions face two major difficulties: 1) preserving their own concepts of educational quality and mission when they are subject to state review; and 2) functioning without a guarantee of continuing assistance from the state legislature at a meaningful level of support. The author then provides an "Annotated Bibliography" primarily of the more important single-state reports on the role of private higher education or reports suggesting specific kinds of state assistance. The author then reprints a chart prepared by the Education Commission of the States on "State Support of Private Higher Education: Programs in Operation or Approved as of January 1972". (This same ECS chart appears as Appendix E in this report.)

Spang, J. R. Direct and Indirect State-Aid to Private Institutions of Higher Education in the United States. Unpublished Ph.D. dissertation, Temple University, 1971.

This dissertation describes the programs and types of state assistance proposed or available in thirty-three states which were surveyed. It also ranks the preferences for forms of state assistance as expressed by representatives of private colleges and universities. These choices were: general support; scholarships; physical facilities; student fellowships; grants and admissions; tax benefits; research; consortia and interinstitutional cooperation; communication and computer centers, degrees, program and accreditation. The author finds an increasing concern at the state level with the well being of independent colleges and universities, and he goes on to recommend a number of steps to promote state aid to private colleges.

State Aid to Private Higher Education: A Study of Ways of Providing Public Resources for Support of Private Institutions of Higher Education in California, A Staff Report to the Coordinating Council for Higher Education, December 1969.

This report is Phase I and II of a response to the Director of Finance to study various means of providing State or local funds to private higher education. Phase I of this report includes a listing of methods of support or assistance throughout the United States as well as the methods by which they are evaluated. The almost universal answer to the method of "evaluation"

was either "not known" or "none". Most states, the report finds, favor state aid to students. Phase II discusses a number of specific ways that the State of California could either encourage and/or reward increased enrollment in private institutions. Many of these alternatives are, in the view of the Deputy Attorney General with whom they were discussed, unconstitutional within the existing California Constitution.

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APPENDIX A

STUDY PLAN, JOINT COMMITTEE ON THE MASTER PLAN FOR HIGHER EDUCATION

January 1972

INDEPENDENT HIGHER EDUCATION

- I. What is the present contribution of independent institutions to California higher education -- quantitative and qualitative?
- II. Is it in the interest of the state to maintain and/or expand the contributions of independent higher education?
- III. Are the independent institutions being utilized in such a way as to maximize their contributions to California higher education?
 - A. If not, why not?
 - B. What steps might be taken to encourage full utilization of the capacities and resources of independent institutions?
- IV. Should the option to attend an independent college or university be available to all qualified students?
- V. Should the state provide financial assistance to independent higher education?
 - A. How much of the cost pressure is being absorbed by this sector? How much of the responsibility for academic and other forms of higher education has it accepted?
 - B. Can the private sector continue to function without direct state support? What are the legal implications to be considered in discussing financial aid? What kinds of aid would be most appropriate? Capital outlay funds? General appropriations? Student aid (in the form of a voucher)?
 - C. What are the public accountability implications of financial support to private institutions? How would this affect independence/autonomy? To what extent should that be preserved?
 - D. If students begin absorbing a larger share of the costs of higher education, what effect will this have upon the students' choice between public and private institutions?
- VI. In what ways are public and private institutions interdependent? What are the benefits of the existing dual system to students, taxpayers and to the quality of California higher education?

STATEMENT IN CONTRACT FROM THE JOINT COMMITTEE ON THE
MASTER PLAN FOR HIGHER EDUCATION

June 1972

To make a study of independent higher education in California to culminate in a report (policy alternative paper). The paper will deal with those issues raised (on Page 171) of the JCMPHE Study Plan (dated January 1972). The major focus of the paper will be: (1) the identification and discussion of major issues -- to be accomplished through an analysis of present practices in California, a survey of practices and proposals elsewhere, and a review and summary of the literature; and (2) the identification and comprehensive analysis of whatever policy alternatives are available to the Legislature. The advantages of each alternative shall be fully explored.

APPENDIX D
STATE OF CALIFORNIA



OFFICE OF THE ATTORNEY GENERAL

Department of Justice

ROOM 500, WELLS FARGO BANK BUILDING
FIFTH STREET AND CAPITOL MALL, SACRAMENTO 95814

March 14, 1972

Dr. Owen Albert Knorr
Director
Coordinating Council for Higher Education
1020 - 12th Street
Sacramento, California 95814

Dear Dr. Knorr:

This is in reply to your request for the opinion of this office on what specifically is the relationship between the Coordinating Council for Higher Education and the private higher education sector, and specifically whether the Council is advisory to private higher education.

It is our conclusion that under the Donahoe Higher Education Act (Education Code sections 22700 - 22705) the Coordinating Council for Higher Education has no advisory responsibility to private higher education. The Legislature has assigned to the Coordinating Council for Higher Education specific statutory responsibility for administering certain federal programs. While the administration of these programs requires contact with private education, it does not make the council advisory to private education.

ANALYSIS

Assembly Concurrent Resolution No. 88, enacted by the 1959 Legislature, requested that Liaison Committee of the State Board of Education and the Regents of the University to "prepare a Master Plan for the development, expansion, and integration of the facilities, curriculum, and standards of higher education, in junior colleges, state colleges, the University of California, and other institutions of higher education of the State, to meet the needs of the State during the next ten years and thereafter"

Pursuant to that request the Liaison Committee of the State Board of Education and The Regents of the University of

California developed and adopted the Master Plan for Higher Education in California, 1960-1975. This report recognized that the basic issue in the development of the Master Plan was "the future role of the junior colleges, state colleges, and the University of California in the state's tripartite system and how the three segments should be governed and coordinated so that unnecessary duplication will be avoided" (Master Plan p. xi).

The role of the private higher education sector was recognized in the following language: "The Master Plan Survey Team recognizes the great contribution private colleges and universities have made and will continue to make to the state. It has included these institutions in the recommended statewide coordinating agency with the opportunity for an authentic voice bearing on policies directly affecting their welfare." (Master Plan p. xii.)

The Master Plan recommended the establishment of an advisory body to be known as the Coordinating Council for Higher Education:

- "a. Shall consist of 12 members, three representatives each from the University, the State College System, the junior colleges, and the independent colleges and universities. The University and the State College System each shall be represented by its chief executive officer and two board members appointed by the boards. The junior colleges shall be represented by (1) a member of the State Board of Education or its Chief Executive Officer; (2) a representative of the local governing boards; and (3) a representative of the local junior college administrators. The independent colleges and universities shall be represented as determined by agreement of the chief executive officers of the University and the State College System, in consultation with the association or associations of private higher educational institutions. All votes shall be recorded, but effective action shall require an affirmative vote of four of the six University and state college representatives; except that on junior college matters the junior college representatives shall have effective votes; and on the appointment and removal of a director of the Council all 12 shall be effective.
- "b. A director of the staff for the Coordinating Council shall be appointed by a vote of eight of the 12 Council members, and may be removed by a vote of eight members of the Council. He shall appoint such

staff as the Council authorizes.

"c. The Coordinating Council shall have the following functions, advisory to the governing boards and appropriate State officials:

- (1) Review of the annual budget and capital outlay requests of the University and the State College System, and presentation to the Governor of comments on the general level of support sought.
- (2) Interpretation of the functional differentiation among the publicly supported institutions provided in this section; and in accordance with the primary functions for each system as set forth above, advise The Regents and The Trustees on programs appropriate to each system.
- (3) Development of plans for the orderly growth of higher education and making of recommendations to the governing boards on the need for the location of new facilities and programs.

"d. The Council shall have power to require the public institutions of higher education to submit data on costs, selection and retention of students, enrollments, capacities, and other matters pertinent to effective planning and coordination."

The council structure recommended in this Master Plan was arrived at after careful consideration of the coordinating boards existing in other states. Considerable sentiment existed for the use of "public members" not connected with any segment of higher education. When the Master Plan recommendations were enacted in the Donahoe Higher Education Act (Stats. 1960, 1st Extra. Sess, ch. 49), the proposed membership was expanded by six "public" representatives, (Educ. Code Section 22700), but otherwise retained the public-private education segmental representation.

The Master Plan recommendations for the functions of the Coordinating Council were modified by the Legislature in that subparagraph c.(2) was changed to read as follows in Education Code section 22703:

" . . . advice as to the application of the provisions of this division delineating the different functions of public higher education and counsel as to the

March 14, 1972

programs appropriate to each segment thereof, and in connection therewith shall submit to the Governor and to the Legislature within five days of the beginning of each general session a report which contains recommendations as to necessary or desirable changes, if any, in the functions and programs of the several segments of public higher education. . ."
(Emphasis added.)

Subparagraph c.(3) was changed to read:

" . . . development of plans for the orderly growth of public higher education and the making of recommendations on the need for and location of new facilities and programs." (Emphasis added.)

Although Figure 2 on page 41 of the Master Plan, entitled "Recommended Co-ordination Structure," shows an "advise" function running from the Coordinating Council to "Independent Colleges and Universities", we can find nothing in the text of the Master Plan or in the implementing statutes which support any responsibility or authority of the Coordinating Council to "advise" the private higher education sector. The functions assigned by the Legislature in Education Code section 22703 are clearly and exclusively concerned with the public sector of higher education. Indeed the modifications made by the Legislature to section 22703 from the proposals in the Master Plan emphasize that the Coordinating Council's role was to be limited public higher education.

Accordingly, we conclude that the Coordinating Council is not "advisory" to private higher education. Subsequent to the enactment of the Donahoe Higher Education Act, the Legislature assigned to the Coordinating Council for Higher Education the responsibility for administering specific federal programs which have direct involvement in private as well as public higher education. The Coordinating Council was designated as the State educational agency to carry out the purposes and provisions of Title I and Title VI of the Higher Education Act of 1965 (P.L. 89-329), a program whereby federal funds are available to strengthen community services programs of colleges and universities, public and private. (Education Code §22756.) The Coordinating Council has also been designated as the State educational agency to carry out the purposes and provisions of Section 802 of Title VIII of the Higher Education Act of 1964, a program to provide special training in skills needed for economic and efficient community development to certain persons who are, or are in training to be, employed by a public body which has responsibility for community development, or by a private non-profit organization which is conducting housing and community development programs. (Education Code §22757.)

Dr. Owen Albert Knorr

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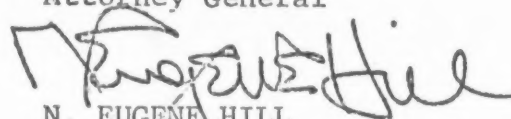
March 14, 1972

These programs involve both private and public schools. Thus, the Coordinating Council in administering them must have contact with both public and private schools. The Council's role is limited to exercising those responsibilities set forth in sections 22756 and 22757 of the Education Code and required under the various federal enactments. None of these authorize the Council to act in an advisory role to private education or to public education. The role of the Council in coordinating education programs administered by other public educational institutions is separate from its role in administering these specific programs.

We therefore conclude that the Council is not advisory to private higher education.

Yours very truly,

EVELLE J. YOUNGER
Attorney General


N. EUGENE HILL
Deputy Attorney General

NEH:gt

APPENDIX C STATE SCHOLARSHIP AWARDS

SCHOOL NAME	NUMBER OF AWARDS				ESTIMATED AVERAGE AMOUNT OF AWARD				ESTIMATED TOTAL AMOUNT PER SCHOOL			
	1969	1970	1971	1972	1969	1970	1971	1972	1969	1970	1971	1972
Armstrong												
Art Center	7	7	14	13	1,200	1,129	1,257	1,638	8,400	7,900	17,600	1,900
Azusa Pacific	23	35	57	69	1,057	1,054	1,169	1,364	24,300	36,900	66,650	21,300
Bethany Bible	10	15	24	26	1,070	1,087	946	1,135	10,700	16,300	22,700	94,100
Biola	111	132	210	236	1,127	1,198	1,187	1,325	125,100	158,100	249,200	29,500
Brooks Institute	3	3	5	2	900	700	1,070	1,600	2,700	2,100	5,350	3,200
Calif Baptist	18	28	40	47	978	1,007	933	1,121	17,600	28,200	37,300	52,700
Calif Arts & Crafts	15	20	30	43	1,200	1,060	1,200	1,559	18,000	21,200	36,000	67,050
Calif Concordia												
Cal Inst Arts	4	12	26	21	1,050	1,775	1,758	1,805	4,200	21,300	45,700	2,400
CI	136	129	153	173	1,599	1,618	1,613	1,712	217,400	208,700	246,750	37,900
Calif Lutheran	81	100	133	182	1,347	1,412	1,425	1,602	109,100	141,200	189,550	291,600
Calif Maritime Acad			3	6			217	400			650	2,400
CSC Bakersfield		12	28	39		134	81	123		1,608	2,268	4,797
CSC Dominguez Hills	4	16	31	33	122	134	100	143	488	2,144	3,100	4,719
CSC San Bernardino	20	29	34	38	121	133	92	160	2,420	3,857	3,128	6,080
CSC Sonoma	23	29	55	82	132	128	88	140	3,036	3,712	4,840	11,480
CSC Stanislaus	23	48	77	60	134	146	105	161	3,082	7,008	8,085	9,660
CSPU Pomona	83	105	157	202	122	134	102	163	10,126	14,070	16,014	32,926
CPSU SLO	159	194	224	270	138	150	109	163	21,942	29,100	24,416	44,010
CSU Chico	108	158	213	316	134	150	110	164	14,477	23,700	23,430	51,824
CSU Fresno	193	222	294	320	144	156	114	164	27,79	36,632	33,516	52,480
CSU Fullerton	97	123	186	275	136	150	110	160	13,192	18,450	20,460	44,000
CSU Hayward	58	83	100	138	122	134	91	144	7,076	11,122	9,100	19,872
CSU Humboldt	90	94	139	162	128	152	113	163	11,520	14,288	15,707	26,406
CSU Long Beach	99	138	250	356	137	154	114	164	13,563	21,252	28,500	58,384
CSU Los Angeles	70	92	130	168	131	174	111	161	9,170	16,008	14,430	27,048
CSU Northridge	77	97	185	232	132	146	113	164	10,164	14,162	20,905	38,048
CSU Sacramento	96	130	204	251	134	146	110	160	12,864	18,980	22,440	40,160
CSU San Diego	180	209	275	382	135	147	107	161	24,300	30,723	29,425	61,502
CSU San Francisco	91	103	179	272	142	136	104	164	12,922	14,008	18,616	44,608
CSU San Jose	206	220	271	383	140	152	114	164	28,840	33,440	30,894	62,812
Chapman	82	100	132	154	1,205	1,300	1,366	1,506	98,800	130,000	180,300	232,000
CMC	153	166	179	174	1,652	1,647	1,598	1,833	252,800	273,400	286,050	319,000

SCHOOL NAME

NUMBER OF AWARDS

ESTIMATED AVERAGE
AMOUNT OF AWARDESTIMATED
TOTAL AMOUNT PER SCHOOL

	1969	1970	1971	1972	1969	1970	1971	1972	1969	1970	1971	1972
Col of Holy Names	51	35	37	40	1,024	1,083	1,012	1,235	52,200	37,900	37,450	49,400
Col of Notre Dame	21	19	34	39	1,057	1,205	1,165	1,246	22,200	22,900	39,600	48,600
Dominican	14	15	16	22	871	987	1,150	1,305	12,200	14,800	18,400	28,700
Don Bosco Technical	-	-	-	1	-	-	-	700	-	-	-	-
Golden Gate	1	-	2	1	700	-	850	1,000	700	-	1,700	700
Harvey Mudd	104	100	122	123	1,670	1,652	1,605	1,810	173,700	165,200	195,750	222,600
Immaculate Heart	68	81	91	81	1,313	1,417	1,604	1,735	89,300	114,800	145,950	140,500
La Verne	36	50	72	88	1,325	1,314	1,332	1,594	47,700	65,700	95,900	140,300
Loma Linda Univ	83	99	132	193	1,199	1,196	1,195	1,434	99,500	118,400	157,800	276,800
Lone Mountain	9	14	21	24	967	1,136	1,050	1,363	8,700	15,900	22,050	32,700
LA Col of Optometry	1	2	1	3	400	1,200	1,250	1,367	400	2,400	1,250	4,100
Lovola	335	384	457	503	1,255	1,308	1,334	1,581	420,400	502,300	609,850	795,400
Marymount	116	140	194	225	1,331	1,397	1,436	1,627	134,400	195,600	278,600	366,100
Menlo	7	6	3	4	1,786	1,600	1,483	1,325	12,500	9,600	4,450	5,300
Millis	58	67	88	108	1,798	1,685	1,663	1,825	104,300	112,900	146,300	197,100
Monterey Inst	1	2	5	9	1,400	1,500	1,250	1,722	1,400	3,000	6,250	15,500
Mount St Mary's	83	73	72	83	934	1,068	1,056	1,291	77,500	78,000	76,000	107,150
Northrop Inst	29	47	43	49	948	994	1,080	1,273	27,500	46,700	46,450	62,400
Occidental	420	409	452	485	1,678	1,594	1,619	1,782	704,600	652,000	731,600	864,300
Otis Art Inst	-	1	-	1	-	700	-	800	-	700	-	800
Pacific Christian	3	8	9	13	667	500	572	815	2,000	4,000	5,150	10,600
Pacific College	32	31	40	47	853	858	1,063	1,243	27,300	26,600	42,500	58,400
Pacific Oaks	-	1	-	1	-	400	-	1,200	-	400	-	1,200
Pacific Union	149	173	210	260	1,176	1,179	1,119	1,395	175,200	204,000	234,900	362,800
Pasadena	66	85	106	137	1,053	1,146	1,142	1,391	69,500	97,400	121,000	190,500
Pepperdine	51	67	109	157	1,324	1,279	1,485	1,827	67,500	85,700	161,850	286,900
Pitzer	66	82	149	152	1,782	1,672	1,708	1,867	117,600	137,100	254,450	283,800
Pomona	211	239	288	318	1,732	1,712	1,705	1,855	365,400	409,100	491,000	590,000
Russell	4	2	3	2	1,250	1,300	1,150	1,300	5,000	2,600	3,450	2,600
St Albert's	-	-	1	1	-	-	750	800	-	-	750	800
St John's	28	20	13	20	586	615	512	1,305	16,400	12,300	6,650	26,100
St Mary's	142	161	209	202	1,494	1,384	1,453	1,682	212,200	222,800	303,650	339,800
St Patrick's	9	10	6	6	611	600	383	567	5,500	6,000	2,300	3,400

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SCHOOL NAME	NUMBER OF AWARDS					ESTIMATED AVERAGE AMOUNT OF AWARD					ESTIMATED TOTAL AMOUNT PER SCHOOL				
	1969	1970	1971	1972	1973	1969	1970	1971	1972	1973	1969	1970	1971	1972	1973
SF Art Inst	6	7	6	8		1,200	1,286	1,017	1,300		7,200	9,000	6,100	10,400	
SF Col of Mort Sci	-	-	-	1		-	-	-	900		-	-	-	900	
SF Cons of Music	2	2	3	5		750	1,500	1,350	1,020		1,500	3,000	4,050	5,100	
Scripps	64	75	88	107		1,748	1,731	1,691	1,859		111,900	129,800	148,800	198,900	
Simpson	-	3	7	15		-	933	993	987		-	2,800	6,950	14,800	
Southern Calif	21	21	30	32		971	971	847	1,100		20,400	20,400	25,400	35,200	
Stanford	714	774	902	976		1,677	1,635	1,603	1,809		1,197,500	1,265,700	1,445,500	1,765,900	
US International Univ	90	90	129	152		1,384	1,462	1,479	1,788		124,600	131,600	190,850	271,800	
UC Berkeley	1,142	1,463	1,832	2,002		300	382	416	560		342,600	559,100	761,400	1,121,900	
UC Davis	780	880	1,016	1,220		300	374	408	557		234,000	329,400	415,000	679,000	
UC Irvine	262	386	567	675		300	377	412	557		78,600	145,400	233,850	376,100	
UC Los Angeles	1,080	1,198	1,556	1,767		300	377	411	566		324,400	452,000	639,500	1,000,661	
UC Riverside	307	355	494	451		300	387	419	558		92,100	137,300	207,100	251,800	
UC San Diego	337	431	540	599		300	380	399	562		101,100	163,600	215,500	336,700	
UC San Francisco	17	25	29	33		418	428	450	627		7,100	10,700	13,050	20,700	
UC Santa Barbara	755	908	1,072	1,064		300	445	408	567		226,500	404,200	437,600	603,700	
UC Santa Cruz	356	426	575	647		300	444	411	567		106,800	189,200	236,350	366,800	
Univ of the Pacific															
Liberal Arts	345	392	481	506		1,797	1,748	1,708	1,849		620,100	685,100	821,650	935,400	
McGeorge	1	-	-	-		1,400	-	-	-		1,400	-	-	-	
School of Dentistry	-	1	2	3		-	2,000	1,850	2,000		-	2,000	3,700	6,000	
School of Pharmacy	25	27	48	50		1,760	1,681	2,585	2,766		44,000	45,400	124,100	138,300	
University of Redlands	256	287	334	403		1,416	1,467	1,531	1,720		362,400	421,000	511,200	693,300	
Johnston	19	55	59	59		1,521	1,629	1,603	1,781		28,900	89,600	94,550	105,100	
Univ of San Diego	99	118	155	193		1,156	1,246	1,113	1,522		114,400	147,000	172,550	293,700	
U of SF	497	531	544	564		1,035	1,146	1,165	1,436		514,600	608,600	633,700	809,800	
U of Santa Clara	647	725	795	833		1,376	1,406	1,419	1,641		890,400	1,019,300	1,127,950	1,367,050	
USC	885	1,086	1,415	1,621		1,557	1,542	1,597	1,816		1,377,600	1,675,000	2,259,750	2,943,000	
W. Baptist Bible Col	1	-	-	-		800	-	-	-		800	-	-	-	
Westmont	127	158	186	199		1,360	1,440	1,491	1,705		172,700	227,500	277,400	339,300	

*These figures include both semester and trimester students enrolled at School of Pharmacy.

SCHOOL NAME	NUMBER OF AWARDS				ESTIMATED AVERAGE AMOUNT OF AWARD				ESTIMATED TOTAL AMOUNT PER SCHOOL			
	1969	1970	1971	1972	1969	1970	1971	1972	1969	1970	1971	1972
Whittier	155	179	254	298	1,190	1,306	1,277	1,713	184,400	233,800	324,400	510,400
Woodbury	6	5	12	17	1,017	1,080	958	1,212	6,100	5,400	11,500	20,600
TOTALS	13,514	15,880	20,154	23,028	\$ 850	\$ 871	\$ 859	\$1,005	\$11,482,969	\$13,837,264	\$17,305,524	\$23,143,227
	27	34	47	62								
	13,541	15,914	20,201	23,090								

**Deferments are not included in count of students by schools.

APPENDIX D
COLLEGE OPPORTUNITY GRANTS

School Name	NUMBER OF GRANTS			AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972	1970	1971	1972	1970	1971	1972
Armstrong College	1	-	1	1,840	-	900	1,840	-	900
Art Center College of Design	-	1	2	-	2,580	1,900	-	2,580	3,800
Azusa Pacific College	-	3	6	-	1,916	1,700	-	1,916	10,200
Bethany Bible College	-	-	2	-	-	2,200	-	-	4,400
Biola College	-	2	2	-	900	2,500	-	900	5,000
California Baptist College	1	3	4	2,092	2,172	1,214	2,092	6,516	4,856
California College of Arts & Crafts	3	8	8	2,161	2,365	2,466	6,484	18,920	19,730
California Institute of Tech.	-	-	1	-	-	3,760	-	-	3,760
California Lutheran College	1	-	4	2,808	-	1,406	2,808	-	5,623
CSC Bakersfield	2	17	33	1,034	918	960	2,068	15,616	31,658
CSC Dominguez Hills	2	7	25	867	907	917	1,734	6,350	22,934
CSC San Bernardino	-	2	6	-	1,042	1,007	-	2,084	6,040
CSC Sonoma	1	4	5	900	969	924	900	3,876	4,620
CSC Stanislaus	1	10	16	1,046	902	1,051	1,046	9,020	16,815
CSPU Pomona	4	21	47	767	944	1,016	8,068	19,820	47,735
CPSU San Luis Obispo	11	27	47	1,027	1,019	1,005	11,300	27,503	47,247
CSU Chico	6	24	43	1,050	951	1,001	6,300	22,828	43,056
CSU Fresno	12	50	122	894	973	1,105	10,726	48,631	123,781
CSU Fullerton	11	24	36	967	973	975	10,634	23,340	35,100
CSU Hayward	6	20	39	1,034	989	976	6,204	19,774	38,051
CSU Humboldt	3	7	28	1,052	1,084	998	3,156	7,589	27,938
CSU Long Beach	10	48	89	1,048	934	1,237	10,460	44,854	86,716
CSU Los Angeles	14	44	132	1,053	964	937	14,737	42,442	123,700
CSU Northridge	9	21	45	965	1,001	998	8,685	21,019	44,928
CSU Sacramento	9	37	64	1,019	988	1,003	9,168	36,560	64,220
CSU San Diego	6	28	54	989	926	1,005	5,935	25,917	54,261
CSU San Francisco	4	24	54	1,036	977	987	4,144	23,446	53,276
CSU San Jose	9	56	135	1,002	972	996	9,016	54,420	134,416
Chapman College	-	5	10	-	1,716	1,674	-	8,583	16,736
Claremont Men's College	1	3	11	3,219	3,462	2,095	3,219	10,387	23,072
College of Holy Names	-	1	4	-	900	1,974	-	900	7,894
College of Notre Dame	1	5	7	1,500	2,034	1,971	1,500	10,170	13,800

COG #134

School Name	NUMBER OF GRANTS			AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972	1970	1971	1972	1970	1971	1972
Immaculate Heart College	2	5	9	1,408	1,820	2,203	2,815	9,100	19,830
Johnston College	1	2	3	2,160	2,015	2,530	2,160	4,030	7,590
La Verne College	-	3	10	-	1,450	2,051	-	4,350	20,510
Loma Linda Art & Science	2	4	9	2,306	2,120	1,777	4,612	8,478	15,989
Lone Mountain College	-	1	1	-	900	2,600	-	900	2,600
Loyola University	1	3	18	1,640	1,449	1,444	1,640	4,347	25,990
Marymount College - L.A.	1	7	10	2,645	1,427	2,269	2,645	9,990	22,692
Mills College	3	7	12	2,977	2,436	1,993	8,930	17,050	23,820
Mt. St. Mary's College	-	3	7	-	1,820	1,543	-	5,460	10,800
Northrop Institute	1	1	2	700	900	1,342	700	900	2,684
Occidental College	4	15	29	3,145	2,680	2,606	12,580	40,210	75,572
Pacific Christian College	-	-	1	-	-	900	-	-	900
Pacific College	1	2	4	1,980	900	2,335	1,980	1,800	9,340
Pacific Union College	1	1	4	2,415	2,526	1,532	2,415	2,526	6,129
Pasadena College	-	2	4	-	1,668	2,126	-	3,336	8,504
Pepperdine College	3	11	19	1,853	1,775	2,405	5,560	19,520	45,700
Pitzer College	2	12	24	3,055	1,955	2,072	6,110	23,465	49,735
Pomona College	3	16	29	3,208	1,371	2,445	9,624	21,936	70,918
St. Mary's College	1	5	5	2,117	1,153	2,451	2,117	5,767	12,254
St. Patrick's College	-	1	2	-	1,800	1,350	-	1,800	2,700
San Francisco Art Institute	1	1	1	2,240	2,440	2,440	2,240	2,440	2,440
San Francisco College of Mort. Science	-	1	1	-	1,844	1,267	-	1,844	1,267
San Francisco Conservatory of Music	1	1	2	2,420	2,420	2,725	2,420	2,420	5,450
Scripps College	2	5	9	3,210	2,406	2,942	6,420	12,030	26,475
Southern California College	1	3	3	2,045	1,673	2,070	2,045	5,020	6,210
Stanford University	2	8	27	2,950	1,866	2,156	5,900	14,930	58,206
U.S. International University	1	1	7	2,859	2,859	1,533	2,859	2,859	10,728
U.C. Berkeley	14	54	117	1,366	1,189	1,276	19,123	64,196	149,358
U.C. Davis	12	32	71	1,375	1,209	1,339	16,500	38,696	95,090
U.C. Irvine	3	12	46	1,281	989	1,191	3,842	11,863	54,794
U.C. Los Angeles	11	49	184	1,253	1,100	1,269	13,781	53,913	223,555
U.C. Riverside	4	10	20	1,390	1,287	1,269	5,560	12,870	25,395

School Name	NUMBER OF GRANTS				AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972		1970	1971	1972	1970	1971	1972
U.C. San Diego	6	52	110		1,334	996	1,255	8,006	51,770	138,106
U.C. San Francisco	-	1	4		-	1,544	1,542	-	1,544	6,170
U.C. Santa Barbara	6	21	54		1,418	1,262	1,276	8,508	26,499	68,950
U.C. Santa Cruz	8	25	65		1,385	1,244	1,294	11,080	31,097	84,154
University of Pacific Liberal Arts	1	9	24		3,000	2,233	2,839	3,000	20,107	68,155
University of Pacific - Pharmacy	1	1	1		3,560	3,770	4,671	3,560	3,770	4,671
University of Redlands	3	6	22		2,932	2,000	1,516	8,796	12,000	33,370
University of San Diego	1	3	3		2,320	1,420	2,153	2,320	4,260	6,460
University of San Francisco	9	13	15		2,352	1,782	2,271	21,170	23,166	34,058
University of Santa Clara	6	12	22		2,748	2,189	2,048	16,488	26,271	45,070
University of Southern California	7	15	54		2,691	2,516	1,955	18,834	37,744	105,622
University of So. California - Dentistry	-	-	1		-	-	1,522	-	-	1,522
Westmont College	1	2	4		2,575	1,918	2,200	2,575	3,835	8,802
Whittier College	-	3	12		-	1,500	1,648	-	4,500	19,784
Woodbury College	1	-	2		2,142	-	900	2,142	-	1,800
American River College	32	20	19		822	845	878	26,300	16,900	16,700
Antelope Valley College	9	7	2		900	900	900	8,100	6,300	1,800
Bakersfield College	65	64	84		868	872	889	56,400	55,800	74,700
Barstow College	2	4	5		600	900	840	1,200	3,600	4,200
Butte College	6	6	8		867	900	887	5,200	5,400	7,100
Cabrillo College	12	7	3		817	900	866	9,800	6,300	2,600
California Concordia College	1	-	-		1,515	-	-	1,515	-	-
Canada College	2	-	4		900	-	900	1,800	-	3,600
Cerritos College	11	16	15		900	900	873	9,900	14,400	13,100
Chabot College	12	9	12		817	833	900	9,800	7,500	10,800
Chaffey College	18	12	17		839	900	888	15,100	10,800	15,100
Citrus College	11	12	20		864	891	830	9,500	10,700	16,600
College of Alameda	-	2	2		-	900	900	-	1,800	1,800
College of the Canyons	1	3	3		900	900	900	900	2,700	2,700
College of the Desert	7	5	3		875	860	900	6,000	4,300	2,700

COG #134

School Name	NUMBER OF GRANTS			AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972	1970	1971	1972	1970	1971	1972
College of Marin	4	2	6	850	900	900	3,400	1,800	5,400
College of Redwoods	6	10	12	900	900	875	5,400	9,000	10,500
College of San Mateo	12	12	6	858	850	900	10,300	10,200	5,400
College of Sequoias	42	39	53	879	866	875	36,900	33,800	46,400
College of Siskiyou	7	4	7	843	900	900	5,900	3,600	6,300
Columbia College	-	1	1	-	900	900	-	900	900
Compton College	14	13	19	871	869	857	12,200	11,300	16,300
Co'sumnes River College	-	-	1	-	-	900	-	-	900
Contra Costa College	16	13	16	869	853	893	13,900	11,100	14,300
Cuesta College	28	19	15	861	895	846	24,100	17,000	12,700
Cypress College	1	3	4	800	800	775	800	2,400	3,100
De Anza College	2	5	9	900	880	877	1,800	4,400	7,900
Diablo Valley College	15	10	15	860	860	860	12,900	8,600	12,900
Don Bosco Tech. Inst.	-	-	3	-	-	833	-	-	2,500
El Camino College	11	13	20	900	900	880	9,900	11,700	17,600
Feather River College	-	2	1	-	900	900	-	1,800	900
Foothill College	7	9	9	871	855	855	6,100	7,700	7,700
Fresno City College	65	66	80	880	891	896	57,200	58,800	71,700
Fullerton College	7	6	8	900	900	887	6,300	5,400	7,100
Gavilan College	13	14	18	892	900	844	11,600	12,600	15,200
Glendale College	3	3	1	800	900	900	2,400	2,700	900
Goldenwest College	2	3	3	900	900	766	1,800	2,700	2,300
Grossmont College	1	2	9	300	900	900	300	1,800	8,100
Hancock College	26	34	32	881	874	881	22,900	29,700	28,200
Hartnell College	22	13	19	836	869	847	18,400	11,300	16,100
Humphreys College	-	-	-	-	-	-	-	-	-
Imperial Valley College	11	14	16	827	900	900	9,100	12,600	14,400
Laney College	20	19	10	830	900	860	16,600	17,100	8,600
Lassen College	1	-	2	900	-	900	900	-	1,800
Long Beach City College	5	5	10	900	860	900	4,500	4,300	9,000
Los Angeles City College	111	81	84	862	885	888	95,700	71,700	74,600
Los Angeles East College	81	75	101	863	885	888	69,900	66,400	89,700

School Name	NUMBER OF GRANTS			AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972	1970	1971	1972	1970	1971	1972
Los Angeles Harbor College	29	38	40	869	882	890	25,200	33,500	35,600
Los Angeles Pierce College	11	12	17	864	883	894	9,500	10,600	15,200
Los Angeles Southwest College	7	6	10	857	900	900	6,000	5,400	9,000
Los Angeles Trade-Tech College	50	39	52	846	874	886	42,300	34,100	46,100
Los Angeles Valley College	13	6	14	869	900	857	11,300	5,400	12,100
Marymount - Palo Verde	3	2	1	2,268	1,643	2,435	6,805	3,285	2,435
Merced College	17	20	27	871	855	885	14,800	17,100	23,900
Merritt College	22	23	18	891	900	866	19,600	20,700	15,600
Mesa College	8	11	11	888	863	900	7,100	9,500	9,900
Mira Costa College	2	2	-	900	900	-	1,800	1,800	-
Modesto College	25	17	29	856	835	886	21,400	14,200	25,700
Monterey Peninsula College	11	5	15	782	880	886	8,600	4,400	13,300
Moorpark College	14	10	12	879	900	891	12,300	9,000	10,700
Mt. San Antonio College	25	19	18	840	895	888	21,000	17,000	16,000
Mt. San Jacinto College	3	1	2	900	900	900	2,700	900	1,800
Napa College	1	3	2	900	800	900	900	2,400	1,800
Ohlone College	3	1	5	500	900	840	2,700	900	4,200
Orange Coast College	2	3	3	700	867	900	1,400	2,600	2,700
Palomar College	1	3	7	600	900	814	600	2,700	5,700
Palo Verde College	13	13	2	838	877	900	10,900	11,400	1,800
Pasadena City College	12	15	17	850	793	900	10,200	11,900	15,300
Porterville College	8	19	24	900	853	900	7,200	16,400	21,600
Reedley College	47	33	37	866	884	889	40,700	29,200	32,900
Rio Hondo College	15	14	14	833	843	864	12,500	11,800	12,100
Riverside College	17	8	13	853	900	900	14,500	7,200	11,700
Sacramento City College	41	38	26	859	874	873	35,200	33,200	22,700
Saddleback College	-	-	1	-	-	500	-	-	500
San Bernardino Valley College	22	22	32	805	868	887	17,700	19,100	28,400
San Diego City College	14	13	11	871	861	900	12,200	11,200	9,900
San Francisco City College	71	61	62	869	849	883	61,700	51,800	54,800
San Joaquin Delta College	58	68	93	855	897	894	49,600	61,000	83,200
San Jose City College	51	46	57	788	846	887	40,200	38,900	50,600

School Name	NUMBER OF GRANTS			AVERAGE AMOUNT OF GRANT			TOTAL AMOUNT PER SCHOOL		
	1970	1971	1972	1970	1970	1972	1970	1971	1972
Santa Ana College	3	3	4	833	900	900	2,500	2,700	3,600
Santa Barbara City College	6	5	13	900	900	900	5,400	4,500	11,700
Santa Monica City College	10	7	7	870	886	828	8,700	6,200	5,800
Santa Rosa College	15	13	23	840	831	895	12,600	10,800	20,600
Shasta College	8	9	13	900	900	876	7,200	8,100	11,400
Sierra College	6	5	4	616	740	875	3,700	3,700	3,500
Skyline College	1	3	-	900	900	-	900	2,700	-
Solano College	9	6	7	822	900	900	7,400	5,400	6,300
Southwestern - Chula Vista	4	2	17	900	900	900	3,600	1,800	15,300
Taft College	1	1	-	900	900	-	900	900	-
Ventura College	20	21	42	750	857	873	15,000	18,000	36,700
Victor Valley College	3	3	5	800	900	860	2,400	2,700	4,300
West Hills College	23	25	25	896	867	900	20,600	22,300	22,500
West Los Angeles College	5	7	11	880	900	900	4,400	6,300	9,900
West Valley College	5	4	7	760	800	857	3,800	3,200	6,100
Yuba College	7	8	9	900	900	900	6,300	7,200	8,100
TOTALS	1,720	2,293	3,811	*956	*1,030	*1,128	\$1,645,021	\$2,360,424	\$4,301,931

*Average grant amount for 1970 = \$ 956

*Average grant amount for 1971 = \$1,030

*Average grant amount for 1972 = \$1,128

APPENDIX E

STATE SUPPORT OF PRIVATE HIGHER EDUCATION: PROGRAMS IN OPERATION OR APPROVED AS OF JANUARY 1972							
STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
ALABAMA	None	(a) Two-year Appropriations Funding: 1971-73 Fosterage, \$75,000/yr Walker Jr. \$200,000/yr Marion, \$200,000/yr Restrictions: None	None	(a) Direct grants (col. 2) could be used for facilities	None	None	None
ALABAMA	None	None	None	None	None	(a) Career and scholarship loans; for non-resident; use at accredited in- or out-of-state institution. Funding: 1971 \$1.5 million Distribution: Limit of \$2,500 per year undergraduate; \$5,000/yr. for graduates. Restrictions: Eligible Y rate dependent on residence in state after graduation; minimum two years.	None
ARIZONA	None	None	None	None	None	None	None
ARIZONA	None	None	None	None	None	None	None
CALIFORNIA	(a) See column 5 (medical)	None	(a) College Opportunity Grant Program--tuition and subsistence. Funding: Unavailable Distribution: Unavailable Restrictions: Total 2,000 new recipients per year.	None	(a) Contracts with independent medical schools to increase enrollments - 1971 legislation. Funding: \$12,000 per year for each additional student enrolled.	(a) State Scholarship Program. One-half of awards for students in private institutions. Funding: 1971-72 \$15.75 million Distribution: Maximum \$2,000 per student. Restrictions: For residents use in the state only. (b) See Column 7 (graduate) (c) See Column 3 (disadvantaged)	(a) College Fellowship Program to prepare college faculty. Funding: No funds provided in 1971-72 budget, but 1971 legislature removed "teaching" emphasis and expanded to all disciplines. Future funding probable. Restrictions: Tuition and fees students

* As most recipients enter junior college, the program has to date offered limited use for private institutions. This should increase as these enroll as transfer students.

** Reduction in funding cut the effective maximum to \$1,450 (temporarily).

* As most recipients enter junior college, the program has to date offered limited use for private institutions. This should increase as these enroll as transfer students.
 ** Reduction in funding cut the effective maximum to \$1,850 (hopefully temporary).

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
COLORADO	None	None	None	None	None	None	None
CONNECTICUT	(a) Contracts with private institutions to provide spaces for state residents. Funding: Amount equal to 1.5% of current tuition for each space. Restrictions: Amount paid shall not exceed state cost for student at public institution; contracting institution must maintain full-time enrollment and increase enrollment as specified by CCHIE and provide aid to students equal to 80% of contracted funds.	(a) See Column 3 (disadvantaged)	(a) Transitional grant program for disadvantaged students; grants to institutions for guidance, tutoring, etc. for such students. Funding: 1971-72 \$100,000 Distribution: Students: Not to exceed \$1,000 annually. Institutions: Not to exceed \$500 per student enrolled under program. Restrictions: Primary consideration to potentially capable but disadvantaged students. Use in both public and private institutions.	(a) Connecticut Health and Educational Facilities Authority. Purpose: Issue tax-exempt bonds for facilities construction at public or private institutions or hospitals.	None	(a) State Scholarship Program eligible for any student accepted at any postsecondary institution in- or out-of-state. Funding: 1971-72 \$1,350 million Distribution: Maximum \$1,200 per student per year. Restrictions: State residents only. (b) see column 3 (disadvantaged) (c) Scholarships for veterans' surviving dependents; teacher education incentive scholarships. Funding: 1971-1972 \$112,000.	None
DELAWARE	None	None	None	None	None	None	None
FLORIDA	None	None	None	None	None	(a) State scholarship and loan programs. Funding: \$1 million in state funds and \$3 million in federal funds per student per quarter fee increase in public institutions. (a) State Board of Independent Colleges and Universities created in 1971 to set standards and license nonpublic institutions.	

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
GEORGIA	None	None	None	None	None	Restitutions: Student loan funds to be available on basis of need. Funds allocated for loans to private college students limited to 40% of general revenue payments to student financial aid trust fund.	
HAWAII	None	None	None	None	None	(a) Tuition grants for state residents attending private accredited institutions, effective 7-1-72. funding: 1972 legislation will have to apply private distribution: \$400 per student per academic year. Restrictions: Prohibited for primarily sectarian institutions; excludes institutions receiving state funds under 1970 Junior College Act.	Licensing of certain degree granting institutions requires under 1971 law.
IDAHIO	None	None	None	None	None	None	None
	* 1971 legislative phased out existing categorical scholarships based on professional goals and increased student loan funds to be awarded on basis of need. **Constitutional amendment passed in 1970 by Georgia voters to permit such a program. The amendment may also allow for awarding of state scholarships and loan funds to students at private institutions.						

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
ILLINOIS	None	(a) Direct grants to private institutions for state residents enrolled, 1971-1972 funding: \$100 million. Distribution: \$100 per each freshman or sophomore State Scholarship Commission recipient; \$200 for each junior or senior state resident.	None	(a) Ill. Educational Facilities Authority created in 1970. Purpose: Issue revenue bonds for educational facilities construction at private institutions.	None	(a) Competitive state scholarship and financial need programs for state residents attending public or private state institutions. Funding: 1971-1972 \$59.4 million. Distribution: Maximum of \$1,200 per student.	None
INDIANA	None	None	None	None	None	(a) State Scholarship Program awarded on competitive basis; factor of need also considered. Funding: 1971-1973 \$14.9 million. Distribution: Maximum stipend of \$1,400.	(a) Tax credits allowed against state income tax equal to amount of contributions to institutions of higher ed. in the state. Taxpayers: 20% of adjusted gross income or \$50, whichever is less. Corporations: 5% of total adjusted gross income or \$500, whichever is less.
IOWA	None	None	(a) Tuition grants for low- and middle-income students at Iowa private colleges of their choice. Funding: 1971-1973 \$8 million. Distribution: Maximum of \$1,000 per year based on family financial need. Restrictions: Cannot exceed tuition and fees minus average amount that would be paid at state institution.	None	None	(a) Scholarships based on ability and financial need and usable at any accredited public or private institution in state by residents. Funding: 1971-1972 \$290,000. Distribution: \$100 - \$800 depending on need and tuition. Restrictions: Used only for tuition and fees.	None

* Statutory authority of agency under litigation. No additional bonds will be issued until litigation is completed.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
KANSAS	None	None	None	None	None	(a) Limited chapter- time scholarship program. 154 freshmen annual awards based on need. Per year funding: \$157,000 Distribution: Fulltime or \$500, whichever is less. Restrictions: Renewed only once.	None
KENTUCKY	None	None	None	None	None	Guaranteed loan program only.	None
LOUISIANA	None	None	None	None	None	None	None
MAINE	None	None	None	None	None	(a) Program of finan- cial aid to residents attending private schools. Funding: Although program received legislative approval in 1971 for the second time, no funds were appropriated.	None
MARYLAND	None	(a) Direct aid to accredited private institutions. Funding: 1971-1972 \$1,915,000 Distribution: \$200 per earned AA degree \$500 per earned B.A. degree. (b) See Column 4 (Facilities)	None	(a) Although no specific facilities program in state, many grants have been given over past years to private institutions for this purpose. Legislature in 1967 appropriated small funds for 12 private and denominational institutions for operating expenses.**	None	(a) State Scholarship board programs, among the major of which are: (1) General state Scholarships, \$100 to \$1,500 based on finan- cial need and SAT results; (2) medical Scholarships at Univ. of Maryland; (3) grants for war orphans and disabled veterans children. Funding: For Board programs. Fiscal 1971 \$3,173,431. Fiscal 1972, \$3,722,794. (Continued next page)	None

* The Board administers a number of scholarship programs, most of which are usable at either public or private institutions.
 ** The appropriations were made in spite of a 1966 court decision that certain private college grants were unconstitutional because of the degree of church relationships.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
MASSACHUSETTS	None	None	None	(a) Massachusetts Educational Facilities Authority. To issue tax exempt bonds for construction of private institutions; interest and amortization paid by institutions for up to 40 years.	(a) Medical, dental, and nursing scholarships based on need. Funding: 1971-1972 \$350,000. Distribution: turning - \$200 in public colleges; \$700 in private colleges; \$400 in diploma programs. Medical/dental -- \$600 in public colleges, \$700 in private colleges.	(b) Senatorial and House of Delegates scholarship; for recipients designated by legislators. (a) General state scholarship renewable for up to 4 years of undergraduate study -- includes over 3,000 awards for residents based solely on need. Use at public and private institutions. Funding: 1971-1972 \$5 million. Distribution: Annual awards \$30 in private, \$200 in public. Restrictions: Usable anywhere in United States -- no less than 10% and no more than 25% of scholarship funds may be used at instate public institutions.	None
MICHIGAN	(a) Contracts for dental school services at accredited nonpublic schools of dentistry in the state. Funding: 1972 Distribution: \$2,400 for each doctor of dental surgery or dental medicine degree earned by Michigan residents.	None	None	(a) Higher Education Facilities Authority. Purpose: To issue tax exempt bonds for construction of private institutions academic facilities. As of October 1971, authority had not been obligated.	(a) See Column 1 (contracts)	(a) Competitive scholarship program. Applicants rated on test scores and class rank; in 1971-72, private college students will get 20% of scholarships and 25% of funds. Funding: 1971-72 \$8.2 million. Distribution: Cash awards up to \$500 per year for 4 years to those with financial need; minority awards to those without. (continued next page)	(a) Tax credits for contributions to general fund of any public or private 2 or 4 year institution in state. Payable: 1/2 of gift amount, or 20% of state tax liability, or \$100. Corporations: 1/2 of gift amount, or 10% of state tax liability, or \$500. (b) Rebate of state gasoline taxes paid by private institution. For school buses.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
MICHIGAN (continued)						(b) Tuition grant program based entirely on financial need for students attending private nonprofit institutions. Funding: 1970-1971 \$5.2 million. Distribution: Maximum of \$800 per year for 4 undergraduate and 2 graduate years study. Restrictions: First semester freshmen must take scholarship examination--scores do not affect eligibility. Students tuition charges must exceed \$240. Theology students not eligible. (c) Guaranteed Student Loan Program. Distribution: Student may borrow up to \$1000/year for undergraduates and \$1,500/year for graduates.	
MINNESOTA	(a) Contracts with private colleges for the education of additional state residents and of low-income students. Funding: 1971-1973 \$2.7 million. Distribution: \$500 per each state resident in excess of 1970 enrollment of residents, and \$500 per each low-income state grant-in-aid recipient (the 2 payments are separate and unrelated.)	(a) See Column 5 (Medical)	(a) See Column 1 (contracts)	(a) Higher Education Facilities Authority Purpose: To provide bonds for construction and renovation of public and private institutional facilities.	(a) Development of medical school in cooperation with Mayo Foundation. Funding: 1971-1973 \$320,000. Distribution: \$8,000 per state resident enrolled.	(a) State Scholarship Program based on need, usable in public and private institutions and public area voc-tech schools. Funding: 1971-1972 \$1,530,000, 1972-1973 \$2,500,000. Distribution: 1/2 of demonstrated need; range, \$100 to \$1,000. Restrictions: For upper 25% academically only. (b) Grant-in-aid program, based on need, usable in public or private and public area voc-tech schools. Funding: 1971-1972 \$1,040,000, 1972-73 \$2,500,000. (Continued next page)	(a) Interinstitutional TV projects with limited participation by private colleges. Funding: 1971-1972 \$165,000 (b) Mini-tax library program including some private college libraries. Funding: 1971-1973 \$300,000

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
MISSISSIPPI	None	None	None	None	None	Distribution: 1/2 of demonstrated need; range, \$100 to \$1,000. None	None
MISSOURI	None	None	None	None	None	None	None
MONTANA	None	None	None	None	None	None	None
NEBRASKA	None	None	None	None	None	(a) State Investment Council program to provide direct loans to public or private institution students in the state. Funding: Not determined yet. Distribution: Not developed yet.	None
NEVADA	None	None	None	None	None	None	None
NEW HAMPSHIRE	None	None	None	None	None	None	None
NEW JERSEY	None	(a) Supplementary educational programs grants for institutions under Educational Opportunity Grant Program. Funding: 1971-1972 \$2,860,000. Distribution: Grants up to \$1,000.	(a) Educational opportunity grant program for disadvantaged students at public or private institutions. Funding: 1971-1972 \$9,748,000. Distribution: Grants up to \$1,000.	(a) Educational Facilities Authority. Purpose: To issue tax-exempt bonds for construction of facilities.	None	(a) State Scholarship Program--competitive awards for up to 5% of instate high school graduates of previous year to attend public or private institutions. Funding: 1971-1972 \$5,167,253. Distribution: Up to \$500 per year. Restrictions: There are certain limitations on use at out-of-state institutions. (b) Incentive grants for state scholarship holders attending in-state institutions with more than \$500 annual tuition.	None

(Continued next page)

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
NEW YORK (continued)					(b) Grants to non-public medical colleges. 1971-1972 funding: \$3.6 million. Distribution: Formula-\$1,500 each full-time student in M.D. program. (c) Contract program to expand nursing enrollments, provide funds for each additional enrollee. Funding: 1971-1972 \$2.5 million. Distribution: \$300 for public community colleges, \$1,000 for private junior colleges, \$2,000 hospital diploma programs, and \$2,500 bachelor degree programs per student. (d) Contract program for nurses refresher courses and qualification courses for foreign trained nurses. Funding: \$145,000. (e) Contract program to expand medical & dental school enrollments, including capital grants. Funding: 1971-1972 \$6.7 million. Distribution: Medical-\$6,600 for each student over total enrollment increase up to 25 per class or 100 per school. Dental-\$1,000 per increased student. Capital-based on enrollment size and capital program.	Funding: 1971-1972 \$12.1 million. Distribution: Grants up to \$600. (d) See Column 3 (Disadvantaged) (e) Teacher training grants--in service, handicapped, non-urban. (f) Guaranteed loans program. Distribution: Student new borrow up to \$20,000. In 1970-71, state guaranteed 117,000 loans totaling \$106 million.	

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
NORTH CAROLINA	(a) Contracts to enable private institutions to administer scholarships to needy N.C. students. Funding: 1971-1973 \$450,000 Distribution: Distributed to students on formula based new students over and above October 1970 enrollment. Restrictions: Each institution must disburse to needy students an amount equal to that received.	(a) Funds for private institutions for residents of state enrolled as of October 1970. Funding: 1971-1973 \$575,000 Distribution: Formula based on residents enrolled in October 1970. Restrictions: Same as column 1(a).	None	None	(a) Education of North Carolinians at two private schools of medicine. Funding: 1971-1973 \$1,236,000. (b) Education of North Carolinians as doctors and dentists at a Tennessee predominate black medical school. Funding: \$25,000.	(a) Comprehensive program of grants, loans, and work-study programs for residents at public or private institutions. Funding: \$1 million and sale of tax-exempt revenue bonds. (b) See Column 1 (Contracts) (c) See Column 2 (Direct Aid)	None
NORTH DAKOTA	None	None	None	None	None	None	None
OHIO	None	(a) See Column 5 (Medical/Dental)	None	(a) Higher Education Facility Commission. Purpose: To sell tax-exempt revenue bonds to finance educational facilities for private institutions.	(a) Financial assistance to Case Western Reserve University for education in medicine and dentistry. Funding: 1971-1972 \$2,640,000. (b) Instructional grant program for Ohio residents at instate public and private institutions. Funding: 1971-1972 \$15,100,000 Distribution: Maximum grant-\$510 for public and \$1,200 for private institutions based on adjusted effective income to \$11,000 and no. of dependent children. Restrictions: For full time undergraduate students only.	(a) Student guaranteed loan program. Funding: State guaranteed \$59,579,639 in loans in 1970. Distribution: Maximum loan of \$1,500. (b) Instructional grant program for Ohio residents at instate public and private institutions. Funding: 1971-1972 \$15,100,000 Distribution: Maximum grant-\$510 for public and \$1,200 for private institutions based on adjusted effective income to \$11,000 and no. of dependent children. Restrictions: For full time undergraduate students only.	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
OKLAHOMA	None	None	None	None	None	(a) Tuition aid grants for full-time O.H.A. residents at public and private accredited institutions in state based on need. Funding: No funds appropriated as yet. Distribution: Maximum grant of \$500 per student, but not more than 50% of tuition and/or fees.	None
OKLAHOMA	(a) Direct aid to accredited private institutions in Oregon through contracts for secular education of state residents. Funding: 1971-1973 \$2 million. Distribution: up to \$500 for every 45 quarter hours completed; \$1,000 for every student completing 4 years of undergraduate education.	(a) See Column 1 (contracts)	None	None	None	(a) Need grant awards based on financial need, and cash awards program based on academic achievement for students attending any accredited college or university in state. Funding: 1971-1973 \$2,000,000* - \$1.5 million for need grant awards; \$500,000 for cash awards. Distribution: Need grants based on family income with \$500 maximum grant.	
PENNSYLVANIA	None	(a) The state has traditional programs of direct aid to private institutions referred to as state related (general funding) and state-aided (mainly focussed on programs of benefit to the state).	None	None	None	(a) Second largest state scholarship program for use at in-state or out-of-state public or private institutions, hospitals, nursing schools, and in-state private trade and business schools. Based on SAT scores (for eligibility) and need in relation to total cost less family contribution.** (Continued next page)	

* A total of \$2.5 million was appropriated, with \$500,000 earmarked for public community colleges.

** Nontransferable programs from community colleges and scholarship recipients at hospital nursing schools and private trade and business schools are eligible for Education Incentive Program awards for needy students who do not meet the required test scores.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
PENNSYLVANIA (continued)						Funding: 1971-1972 \$55.1 million. Distribution: Maximum award at instate institution, \$1,200 and \$800 out of state. 50% of need is met for families with less than \$8,000 annual income and 33 1/3% of need if income is over \$8,000. (b) Senatorial scholarship for use at 5 institutions, 2 of which are private. Distribution: Up to 1/2 of tuition.	
RHODE ISLAND	None	None	None	None	None	None	None
SOUTH CAROLINA	(a) State contracts with private colleges to provide public school teacher training. Funding: 1971-1972 \$200,000	(a) Practice teach- ing fees to compen- sate public school teachers super- vising undergraduate practice teachers at private colleges. Funding: \$100,000	None	(a) Bond Authority Purpose: Grants permission for private colleges to issue tax-exempt bonds for construc- tion of physical facilities.	None	(a) Tuition grants program. Based on merit and need for students attending private institutions. Funding: 1971-1972 \$50,000 Distribution: Based on per student appropriation at public institutions- about \$1,300. (b) See Column 1 (Contracts) (c) State Education Assistance Authority. Purpose: To issue revenue bonds to make or guarantee loans of students at all institutions includ- ing vocational schools.	(a) Authority granted for private institu- tions to purchase from State purchasing office and to util- ize contracts by the negotiated by the office. Funding: None, but major savings to the private has resulted.

* A state Supreme Court decision eliminated all church-related institutions, leaving only 4 colleges eligible.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES/ ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
SOUTH DAKOTA	None	None	None	None	None	None	None
TENNESSEE	None	None	None	None	None	State Tuition Grant program based on need for use at any accredited public or private institution. Existing awards have been left available as well. No new awards are being made.	None
TEXAS	(a) See Column 5(a) and b) (Medical/Dental)	None	None	None	(a) Contracts with Baylor University for medical and dental training of Texas residents. Funding: \$19.1-1972 Medical: \$2.5 million Dental: \$1.7 million (b) Contracts with Texas College of Osteopathic Medicine for Texas undergraduate medical students. Funding: 1971-1972 \$150,000.	(a) Tuition assistance grants based on need for Texas residents attending an institution of their choice. 1971-1972 \$1 million (b) Grants of \$5 to \$500 per student for restriction of tuition only and only freshmen are eligible in 1971-1972.	None
UTAH	None	None	None	None	None	None	None
VERMONT	None	None	None	None	None	None	None
VIRGINIA	None	None	None	None	(a) Scholarships for nursing and dental hygienist students. Awarded same as column 6(a). Distribution: Nursing: \$10 awards per year. Dental: 6 per year. Restrictions: Same as column 6(a).	(a) State Teacher Scholarships for loans to students primarily at public institutions. Although some funds go to private non-sectarian college students. Distribution: 7,000 awards per year at about \$500 each.	(a) Private institutions are exempt from property and sales tax.

* Sophomores will be added in 1972-73, juniors in 1973-74, and seniors in 1974-75.

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STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
WASHINGTON	None	None	None	None	None	Restrictions: Recipients must teach in state one year for each year of scholarship. (b) See Column 5 (Nursing/Dental) (a) Student aid program based on need--students may attend institution of their choice in state. Funding: 1971-1973 \$1,576,700. Distribution: 1/3 difference college cost and total family contribution. (b) Tuition supple- ment program for every undergraduate state resident attend- ing a private insti- tution in state. Funding: 1971-1973 \$1.7 million. Distribution: Maximum of \$100 per student. (a) 1971 legis- lation clarified tax-exempt status of private institution properties and services.	
WEST VIRGINIA	None	None	None	None	None	(a) State scholarship program for students who are residents enrolled at approved public or private institutions; based on financial need, character, and academic promise. Funding: 1971-1972 \$229,000. Distribution: Minimum of \$100 and maximum of \$400 per academic year.	

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
WISCONSIN	(a) See Column 5 (c) (Dental)	(a) See Column 5 (b) (Medical)	(a) Assistance to American Indian students based on need enrolled in public or private institutions. Funding: 1971-1973 \$20,000. Distribution: Maximum of \$1,500 per student. (b) Talent incentive grants for the dis- advantaged to utilize under the state talent search. Funding: 1971-1973 \$355,000. Distribution: Up to \$1,000 per student for 500 students.	None	(a) See Column 6 (d) (Student Assist.) (b) Direct annual assistance to the Medical College of Wisconsin (private). Funding: Annually \$1,600,500. (c) Contracts to provide dental educa- tion to state resi- dents at Marquette University. Funding: 1971-1972* \$57,500. Distribution: \$3,500 for each resident enrolled.*	(a) Tuition grant program to offset tuition differences between public and private institutions based on need scaled to taxable family income. Funding: 1971-1973 \$5,657,000. Distribution: Maxima- ward of \$500 per year--4 income groups starting from below \$5,000 to a maximum of \$12,000. (b) Honor scholarship program awarded to students in top 10% of high school grad- uating class to attend public or private institutions in state. Funding: 1971-1973 \$4,271,000. Distribution: Maxima- ward of \$500 based on need. (c) Educational Em- power grants, based on need, for students enrolled in courses leading to employment in a critical occupa- tion in the state. Funding: 1971-1973 \$60,000. Distribution: Up to \$2,000 per undergrad- uate student, \$4,000 per graduate. (Continued next page)	Note
							* Provided only as a test case now pending before the state supreme court. If a favorable opinion results, distribution will be as noted.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
WISCONSIN (continued)						(a) Tuition reimbursement grants for students enrolled in out-of-state institutions in selected professions - major portion of which are in dental education at Marquette. Funding: 1971-1973 \$710,000. Distribution: \$500 per student. (e) See Column 3(a)(b) (disadvantaged/minorities)	
WYOMING	None	None	None	None	None	None	None
Prepared by Nancy M. Berve, Associate Director, Higher Education Services, Education Commission of the States. SOURCE: A Survey of State Programs of Aid to Independent Colleges and Universities and Their Students, Elden T. Smith, National Council of Independent Colleges and Universities, October, 1971. Additional information derived from 1971 legislative reports from the states and some followup telephone calls to state agencies.							